



# FEDERAL REGISTER

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Announcement

**CFR SUPPLEMENTS**

(As of January 1, 1960)

The following Supplement is now available:  
Title 50..... \$0.70

Previously announced: Title 3 (\$0.60); Titles 4-5 (\$1.00); Title 7, Parts 1-50 (\$0.45); Parts 51-52 (\$0.45); Parts 53-209 (\$0.40); Title 8 (\$0.40); Title 9 (\$0.35); Titles 10-13 (\$0.50); Title 18 (\$0.55); Title 20 (\$1.25); Titles 22-23 (\$0.45); Title 25 (\$0.45); Title 26 (1939), Parts 1-79 (\$0.40); Parts 80-169 (\$0.35); Parts 170-182 (\$0.35); Parts 300 to End (\$0.40); Title 26, Part 1 (§§ 1.01-1.499) (\$1.75); Parts 1 (§ 1.500 to End)-19 (\$2.25); Parts 20-169 (\$1.75); Parts 170-221 (\$2.25); Part 300 to End (\$1.25); Titles 28-29 (\$1.75); Titles 30-31 (\$0.50); Title 32, Parts 700-799 (\$1.00); Parts 800-999, Revised (\$3.75); Part 1100 to End (\$0.60); Title 33 (\$1.75); Title 36, Revised (\$3.00); Title 38 (\$1.00); Title 43 (\$1.00); Title 46, Parts 1-145 (\$1.00); Parts 146-149, Revised (\$6.00); Part 150 to End (\$0.65); Title 47, Parts 1-29 (\$1.00); Part 30 to End (\$0.30); Title 49, Parts 1-70 (\$1.75); Parts 91-164 (\$0.45); Part 165 to End (\$1.00).

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# Rules and Regulations

## Title 5—ADMINISTRATIVE PERSONNEL

### Chapter I—Civil Service Commission

#### PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

#### Federal Deposit Insurance Corporation

Effective upon publication in the FEDERAL REGISTER, paragraph (b) is added to § 6.329 as set out below.

#### § 6.329 Federal Deposit Insurance Corporation.

(b) Confidential Assistant to the Board of Directors.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 6 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,  
Executive Assistant.

[F.R. Doc. 60-3846; Filed, Apr. 27, 1960; 8:49 a.m.]

## Title 7—AGRICULTURE

### Chapter I—Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

#### PART 52—PROCESSED FRUITS AND VEGETABLES, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

#### Subpart—United States Standards for Grades of Dehydrated, Low-Moisture Prunes<sup>1</sup>

On May 16, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 3993) regarding a proposed issuance of the United States Standards for Grades of Dehydrated, Low-Moisture Prunes.

After consideration of all relevant matters presented, including the proposal set forth in the aforesaid notice, the following United States Standards for Grades of Dehydrated, Low-Moisture Prunes are hereby promulgated pursuant to the authority contained in the Agricultural Marketing Act of 1946 (Secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627).

#### PRODUCT DESCRIPTION, MOISTURE, STYLES, GRADES

Sec.  
52.3231 Product description.

<sup>1</sup> Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable state laws and regulations.

Sec.  
52.3232 Moisture of low-moisture prunes.  
52.3233 Styles of low-moisture prunes.  
52.3234 Grades of low-moisture prunes.

#### FACTORS OF QUALITY

52.3235 Ascertaining the grade.  
52.3236 Ascertaining the rating for the factors which are scored.  
52.3237 Color.  
52.3238 Uniformity of size and count.  
52.3239 Absence of defects.  
52.3240 Texture.

#### EXPLANATIONS AND METHODS OF ANALYSES

52.3241 Explanations of methods and analyses.

#### LOT INSPECTION AND CERTIFICATION

52.3242 Ascertaining the grade of a lot.

#### SCORE SHEET

52.3243 Score sheet for low-moisture prunes.

AUTHORITY: §§ 52.3231 to 52.3243 issued under secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627.

#### PRODUCT DESCRIPTION, MOISTURE, STYLES, GRADES

#### § 52.3231 Product description.

Dehydrated, low-moisture prunes, hereinafter referred to as "low-moisture prunes", are prepared from clean and sound fresh prune-plums or clean and sound previously dried prunes; are pitted and otherwise prepared into various sizes and shapes; are prepared to assure a clean, sound, wholesome product; are processed by dehydration hereby practically all of the moisture is removed to produce a very dry texture; and are packaged (including kind of container and proper closure) to assure retention of the low-moisture characteristics of the product.

#### § 52.3232 Moisture of low-moisture prunes.

The moisture content of the finished product shall be not more than the following for the respective styles:

Nugget-type—2.5 percent.  
Pieces—2.5 percent.  
Whole Pitted—4.0 percent.

#### § 52.3233 Styles of dehydrated prunes.

(a) *Nugget-type*. "Nugget-type" is especially processed to produce foam-textured units of irregular shapes of such size that practically all of the units will pass through 0.625 inch ( $\frac{5}{16}$ -inch) square openings.

(b) *Pieces*. "Pieces" consist of irregularly shaped cut or chopped pieces of such size that practically all of the units will pass through 0.625 inch ( $\frac{5}{16}$ -inch) square openings.

(c) *Whole pitted*. "Whole pitted" dehydrated prunes are substantially whole units except for mechanical marking or damage from pitting.

#### § 52.3234 Grades of low-moisture prunes.

(a) "U.S. Grade A" or ("U.S. Fancy") low-moisture prunes is the quality of low-moisture prunes that possess a normal flavor and odor, that possess a good color, that are reasonably uniform in size and count for the applicable style, that are practically free from defects, that possess a good texture; and that for those factors which are scored in accordance with the scoring system outlined in this subpart the total score is not less than 85 points: *Provided*, That the low-moisture prunes may possess a reasonably good texture, if the total score is not less than 85 points.

(b) "U.S. Grade B" (or "U.S. Choice") low-moisture prunes is the quality of low-moisture prunes that possess a normal flavor and odor, that possess a reasonably good color, that are fairly uniform in size and count for the applicable style, that are reasonably free from defects, that possess a reasonably good texture; and that for those factors which are scored in accordance with the scoring system outlined in this subpart the total score is not less than 70 points.

(c) "Substandard" low-moisture prunes is the quality of low-moisture prunes that fail to meet the requirements of U.S. Grade B.

#### FACTORS OF QUALITY

#### § 52.3235 Ascertaining the grade.

In addition to considering other requirements outlined in the standards, the following quality factors are evaluated:

(a) *Factors not rated by score points*.  
(1) Flavor and odor.

(b) *Factors rated by score points*.  
(1) The relative importance of each factor which is scored is expressed numerically on the scale of 100. The maximum number of points that may be given such factors are:

	Points
(i) Color.....	20
(ii) Uniformity of size and count.....	20
(iii) Absence of defects.....	40
(iv) Texture.....	20
Total score.....	100

(2) The factors of flavor and odor, color, certain defects as may be applicable, and texture are ascertained upon the low-moisture prunes and the cooked product as specified in this subpart.

(c) *Flavor and odor*. "Normal flavor and odor" means that the low-moisture prunes and the cooked product possess a characteristic flavor and odor that is free from objectionable flavors (including definite scorched flavor) or objectionable odors of any kind.

#### § 52.3236 Ascertaining the rating for the factors which are scored.

The essential variations within each factor which is scored are so described that the value may be ascertained for each factor and expressed numerically. The numerical range within each factor

which is scored is inclusive (for example, "17 to 20 points" means 17, 18, 19, or 20 points).

§ 52.3237 **Color.**

(a) (A) *classification.* Low-moisture prunes that possess a good color may be given a score of 17 to 20 points. "Good color" means that in the style of "nugget-type" the color may range from characteristic light chocolate brown to darker brown but the over-all color impression is reasonably uniform; and that in the style of "pieces" or "whole pitted", the units may vary from characteristic blue-black typical of the exterior skin color, and chocolate brown to darker brown typical of the interior color, of low-moisture prunes; and that such characteristic color of any style, after cooking, is a reasonably rich color typical of cooked low-moisture prunes that have been properly prepared and processed.

(b) (B) *classification.* If the low-moisture prunes possess a reasonably good color, a score of 14 to 16 points may be given. Low-moisture prunes that fall into this classification shall not be graded above U.S. Grade B, regardless of the total score for the product (this is a limiting rule). "Reasonably good color" means that in the style of "nugget-type" the color may vary noticeably in shades of brown color; and that in the style of "pieces" or "whole pitted", the units may possess a variable dull blue-black to very dark brown color; and that in any style, after cooking, the color may be dull but is typical of cooked low-moisture prunes that have been properly prepared and processed and is not off-color for any reason.

(c) (SStd) *classification.* Low-moisture prunes that fail to meet the requirements of paragraph (b) of this section may be given a score of 0 to 13 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.3238 **Uniformity of size and count.**

(a) (A) *classification.* Low-moisture prunes that are reasonably uniform in size and count may be given a score of 17 to 20 points. "Reasonably uniform in size and count" has the following meanings for the applicable style:

(1) *Nugget-type; pieces.* Practically all of the units are of such size and shape as to pass through 0.625 ( $\frac{5}{8}$ -inch) square openings and not more than 10 percent, by weight, of the low-moisture prunes may pass through meshes of a U.S. Standard No. 8 sieve (0.0937-inch,  $\pm 3$  percent, square openings).

(2) *Whole pitted.* Not more than 3 percent, by weight, of the low-moisture prunes may consist of small pieces that pass through meshes of a U.S. Standard No. 4 sieve (0.187-inch,  $\pm 3$  percent, square openings); and the count of full-size units (after removal of small pieces and partial or inseparable units) is not more than 133 per pound; and the uniformity of count is such that in a sample of 100 ounces of full-size units:

(i) For prunes that average 83 prunes or less per pound, the count per pound of 10 ounces of the smallest prunes does not vary from the count per pound of 10

ounces of the largest prunes by more than 39 points; or

(ii) For prunes that average 84 prunes or more per pound, the count per pound of 10 ounces of the smallest prunes does not vary from the count per pound of 10 ounces of the largest prunes by more than 70 points.

(b) (B) *classification.* If the low-moisture prunes are fairly uniform in size and count, a score of 14 to 16 points may be given. Dehydrated prunes that fall into this classification shall not be graded above U.S. Grade B, regardless of the total score for the product (this is a limiting rule). "Fairly uniform in size and count" has the following meanings for the applicable style:

(1) *Nugget-type; pieces.* Practically all of the units are of such size and shape as to pass through 0.625 ( $\frac{5}{8}$ -inch) square openings and not more than 25 percent, by weight, of the low-moisture prunes may pass through meshes of a U.S. Standard No. 8 sieve (0.0937-inch,  $\pm 3$  percent, square openings).

(2) *Whole pitted.* Not more than 5 percent, by count, of the low-moisture prunes may consist of small pieces that pass through meshes of a U.S. Standard No. 4 sieve (0.187-inch,  $\pm 3$  percent, square openings); and the count of full-size units (after removal of small pieces and partial or inseparable units) is not more than 140 per pound; and the uniformity of count is such that in a sample of 100 ounces of full-size units:

(i) For prunes that average 83 prunes or less per pound, the count per pound of 10 ounces of the smallest prunes does not vary from the count per pound of 10 ounces of the largest prunes by more than 39 points; or

(ii) For prunes that average 84 prunes or more per pound, the count per pound of 10 ounces of the smallest prunes does not vary from the count per pound of 10 ounces of the largest prunes by more than 70 points.

(c) (SStd) *classification.* Low-moisture prunes that fail to meet the requirements of paragraph (b) of this section may be given a score of 0 to 13 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.3239 **Absence of defects.**

(a) *General.* The factor of absence of defects refers to the degree of freedom from damaged and seriously damaged units, from partial units and inseparable units in whole pitted style, from units affected by pit material in whole pitted style, and from other defects or injury that affect the appearance or eating quality of the units or product.

(b) *Definitions.* (1) "Damaged units" are units that possess defects which materially affect the appearance of the low-moisture prunes and are of such nature that they may or may not disappear upon cooking. Units that are mechanically damaged by pitting, or other preparation including smaller perforations, are not considered "damaged units." "Damaged units" include, but are not limited to, units that possess scars, blemishes, insect injury, or other similar abnormality.

(2) "Seriously damaged units" include units that are excessively darkened due to scorching or burning, that possess serious scars, serious blemishes, serious insect injury, or other serious abnormality, or which in any other way possess defects that seriously affect the appearance of the low-moisture prunes and that the damage is of such nature that it does not disappear upon cooking.

(3) "Partial units" in whole pitted style consist of portions of whole pitted low-moisture prunes which are less than three-fourths of an apparent whole pitted prune.

(4) "Inseparable units" in whole pitted style consist of five or more partial units and/or whole pitted prunes which are so stuck together that they may not be readily separated in the low-moisture prunes.

(5) "Slightly affected by pieces of pit" in whole pitted style means units that are affected by not more than two fragments of pit which individually are  $\frac{1}{4}$  inch or less in their longest dimension.

(6) "Seriously affected by pieces of pit" in whole pitted style means:

(i) Units that have more than two fragments of pit which individually are smaller than  $\frac{1}{4}$  inch or less in their longest dimension; and

(ii) Units that have a piece or pieces of pit, any of which are longer than  $\frac{1}{4}$  inch in their longest dimension.

(c) (A) *classification.* Low-moisture prunes that are practically free from defects may be given a score of 34 to 40 points. "Practically free from defects" means that the low-moisture prunes in any style are practically free from any defects that affect more than slightly the appearance or eating quality either in the low-moisture prunes or after cooking; and in whole pitted style there may be present not more than the following:

(1) *Whole pitted.* (i) A total of 5 percent, by weight, of the low-moisture prunes may be damaged: *Provided*, That not more than 2 percent, by weight, of the low-moisture prunes may be seriously damaged;

(ii)  $7\frac{1}{2}$  percent, by weight, of the low-moisture prunes may be partial and inseparable units; and

(iii) A total of 5 percent, by weight, of the low-moisture prunes may be slightly and seriously affected by pieces of pit: *Provided*, That not more than 3 percent, by weight, may be affected by fragments which individually are  $\frac{1}{8}$  inch or more but no longer than  $\frac{1}{4}$  inch in their longest dimension: *And provided further*, That not more than 1 percent, by weight, may be seriously affected by pieces of pit.

(d) (B) *classification.* If the low-moisture prunes are reasonably free from defects, a score of 28 to 33 points may be given. Low-moisture prunes that fall into this classification shall not be graded above U.S. Grade B, regardless of the total score for the product (this is a limiting rule). "Reasonably free from defects" means that the low-moisture prunes in any style are reasonably free from any defects that affect materially the appearance or eating quality either in the low-moisture prunes or after cooking; and in whole pitted style

there may be present not more than the following:

(1) *Whole pitted.* (i) A total of 10 percent, by weight, of the low-moisture prunes may be damaged: *Provided*, That not more than 4 percent, by weight, of the low-moisture prunes may be seriously damaged;

(ii) 15 percent, by weight, of the low-moisture prunes may be partial and inseparable units; and

(iii) A total of 8 percent, by weight, of the low-moisture prunes may be slightly and seriously affected by pieces of pit: *Provided*, That not more than 5 percent, by weight, may be affected by fragments which individually are 1/8 inch or more but no longer than 1/4 inch in their longest dimension: *And provided further*, That not more than 2 percent, by weight, may be seriously affected by pieces of pit.

(e) *(SStd) classification.* Low-moisture prunes that fail to meet the requirements of paragraph (d) of this section may be given a score of 0 to 27 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.3240 **Texture.**

(a) *(A) classification.* Low-moisture prunes that possess a good texture may be given a score of 17 to 20 points. "Good texture" means with respect to the low-moisture prunes that the units may vary in texture from partially pliable to brittle but are otherwise reasonably uniform in texture; and, after cooking in accordance with the method outlined in this subpart, meet the following requirements for the applicable style:

(1) *Nugget-type.* The cooked mass has a reasonably uniform texture and finish that is coarse or grainy without practically any hard particles.

(2) *Pieces.* The cooked product is practically free from hard, firm, or tough units and there is no more than moderate disintegration except for small pieces that may have been present.

(3) *Whole pitted.* The cooked product is practically free from hard or tough units and substantially retains the semblance of whole pitted prunes except for small pieces that may have been present.

(b) *(B) classification.* If the low-moisture prunes possess a reasonably good texture, a score of 14 to 16 points may be given. "Reasonably good texture" means with respect to the low-moisture prunes that the units may vary in texture from partially pliable to brittle and may lack uniformity of texture; and, after cooking in accordance with the method outlined in this subpart, meet the following requirements for the applicable style:

(1) *Nugget-type.* The cooked mass has a fairly uniform texture and finish that may range from fine and grainy to coarse and grainy; and hard particles may be noticeable but not objectionable.

(2) *Pieces.* The cooked product is fairly free from hard, firm, or tough units and may disintegrate generally into a coarse, saucelike consistency.

(3) *Whole pitted.* The cooked product is fairly free from hard or tough

units and may consist of ragged or broken larger pieces and whole pitted units intermingled with slight amount of mushiness from small pieces which may have been present.

(c) *(SStd) classification.* Low-moisture prunes that fail to meet the requirements of paragraph (b) of this section may be given a score of 0 to 13 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.3241 **Explanations of methods and analyses.**

(a) *Moisture method.* "Moisture" in low-moisture prunes is determined in accordance with the official method applicable to dried fruits as outlined in the "Official Methods of Analysis of the Association of Official Agricultural Chemists" or in accordance with methods which produce equivalent results.

(b) *Cooking procedure—(1) General.* The cooking procedures that follow are not intended to be a recipe for purposes of food preparation but are for the purposes of ascertaining compliance with requirements for applicable quality factors as outlined in this subpart.

(2) *Method.* Add 50 grams of low-moisture prunes to 400 ml. of water in a pan of such size as to cover the prunes, cover pan, bring to a boil, and simmer with only gentle and occasional stirring for the time specified for the respective styles:

(i) *Nugget-type; pieces.* Simmer for 15 minutes.

(ii) *Whole pitted.* Simmer for 20 minutes.

(c) *Screening method.* The technique for ascertaining compliance with the requirements for particles that pass through U.S. Standard No. 4 and No. 8 sieves is as follows:

(1) *Nugget-type; pieces.* (i) Place a 100-gram representative sample of low-moisture prunes on a U.S. Standard No. 8, 8-inch diameter, full-height sieve to which a bottom pan has been attached;

(ii) Place the assembly on a smooth level surface and with a steady, fairly rapid sieving motion, move the assembly approximately 20 inches in a straight line and return to its original position, repeating the movement 20 times;

(iii) Weigh the fine material sifted through to the bottom pan and, on the basis of the original sample, calculate the percentage which passed through the No. 8 sieve.

(2) *Whole pitted.* (i) From a 100-gram representative sample of low-moisture whole pitted prunes, remove all definitely whole pitted prunes, large pieces thereof, or inseparable units, and place the remaining smaller pieces on a U.S. Standard No. 4, 8-inch diameter, full-height sieve to which a bottom pan has been attached;

(ii) Place the assembly on a smooth level surface and with a steady, fairly rapid sieving motion, move the assembly approximately 20 inches in a straight line and return to its original position, repeating the movement 10 times;

(iii) Weigh the fine material sifted through to the bottom pan and, on the basis of the original sample, calculate

the percentage which passed through the No. 4 sieve.

LOT INSPECTION AND CERTIFICATION

§ 52.3242 **Ascertaining the grade of a lot.**

The grade of a lot of low-moisture prunes covered by these standards is determined by the procedure set forth in the Regulations Governing Inspection and Certification of Processed Fruits and Vegetables, Processed Products Thereof, and Certain Other Processed Food Products (§§ 52.1 to 52.87).

SCORE SHEET

§ 52.3243 **Score sheet for low-moisture prunes.**

Size and kind of container.....		.....
Container mark or identification.....		.....
Label.....		.....
Net weight.....		.....
Moisture content (percent).....		.....
Style.....		.....
Count (whole pitted) per lb.....		.....
Factors		Score points
Color.....	20	{(A) 17-20 {(B) 14-16 {(SStd) 10-13
Uniformity of size and count.....	20	{(A) 17-20 {(B) 14-16 {(SStd) 10-13
Absence of defects.....	40	{(A) 34-40 {(B) 28-33 {(SStd) 10-27
Texture.....	20	{(A) 17-20 {(B) 14-16 {(SStd) 10-13
Total score.....	100	
Flavor and odor ( ) Normal ( ) Off.....		.....
Grade.....		.....

1 Indicates limiting rule.

The United States Standards for Grades of Dehydrated, Low-moisture Prunes (which is the first issue) contained in this subpart shall become effective 45 days after the date of publication hereof in the FEDERAL REGISTER.

Dated: April 25, 1960.

ROY W. LENNARTSON,  
Deputy Administrator,  
Marketing Services.

[F.R. Doc. 60-3828; Filed, Apr. 27, 1960; 8:46 a.m.]

**Title 21—FOOD AND DRUGS**

**Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare**

**SUBCHAPTER C—DRUGS**

**PART 146c—CERTIFICATION OF CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS.**

**Change in Expiration Date**

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 357, 371) and dele-

gated to the Commissioner of Food and Drugs by the Secretary (22 F.R. 1045, 23 F.R. 9500), the regulations for the certification of antibiotic and antibiotic-containing drugs (21 CFR, 1958 Supp., 146c.234 (24 F.R. 9992)) are amended as indicated below:

In § 146c.234 *Capsules tetracycline hydrochloride and novobiocin* \* \* \*, paragraph (d) is amended by changing the last sentence to read: "The expiration date shall be the date that is 18 months after the month during which the batch was certified, except that the blank may be filled in with the date that is 24 months or 36 months after the month during which the batch was certified if the person who requests certification has submitted to the Commissioner results of tests and assays showing that such drug as prepared by him is stable for such period of time."

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since the amendment has been drawn in collaboration with interested members of the affected industry, and it would be against public interest to delay providing therefor.

**Effective date.** This order shall become effective upon publication in the FEDERAL REGISTER, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interpret or apply sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: April 21, 1960.

[SEAL]

JOHN L. HARVEY,  
*Deputy Commissioner*  
*of Food and Drugs.*

[F.R. Doc. 60-3836; Filed, Apr. 27, 1960;  
8:47 a.m.]

## Title 26—INTERNAL REVENUE, 1954

### Chapter I—Internal Revenue Service, Department of the Treasury

#### SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 6460]

#### PART 280—DEALERS IN TOBACCO MATERIALS

##### Effective Date

On March 24, 1960, Treasury Decision 6457 to amend regulations designated as Part 280 of Title 26 of the Code of Federal Regulations was published in the FEDERAL REGISTER (25 F.R. 2480). However, the Treasury decision did not specifically state the date that the amendments included therein would become effective. In order to specifically provide for an effective date of these amendments, Treasury Decision 6457 is amended as follows:

Paragraph 2 is added to Treasury Decision 6457 to read as follows:

PAR. 2. This Treasury decision (T.D. 6457) shall be effective on June 1, 1960.

Because this Treasury decision merely provides for the effective date of Treasury Decision 6457, published March 24, 1960, (25 F.R. 2480) it is found that it is unnecessary to issue this Treasury decision with notice and public procedure under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of such Act. Accordingly, this Treasury decision shall become effective upon publication in the FEDERAL REGISTER.

(68A Stat. 917; 26 U.S.C. 7805)

[SEAL] DANA LATHAM,  
*Commissioner of Internal Revenue.*

Approved: April 25, 1960.

FRED C. SCRIBNER, JR.,  
*Acting Secretary of the Treasury.*

[F.R. Doc. 60-3840; Filed, Apr. 27, 1960;  
8:48 a.m.]

## Title 14—AERONAUTICS AND SPACE

### Chapter III—Federal Aviation Agency

#### SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 59-WA-312]

#### PART 600—DESIGNATION OF FEDERAL AIRWAYS

##### Change of Effective Date

On February 2, 1960, there was published in the FEDERAL REGISTER (25 F.R. 856) Amendment No. 167 to Part 600. This amendment, to be effective July 28, 1960, modified VOR Federal airway No. 190 between Ponca City, Okla., and Springfield, Mo., concurrently with the commissioning of a VOR near Oswego, Kans.

The commissioning date of the Oswego VOR has been rescheduled. Therefore, it is considered desirable to amend the effective date of the above-mentioned amendment to June 30, 1960.

Since this action does not impose a burden on the public, compliance with the notice, public procedure and effective date requirements of Section 4 of the Administrative Procedure Act is unnecessary.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), effective immediately, Amendment No. 167 to Part 600 is hereby modified as follows:

Delete "effective 0001 e.s.t., July 28, 1960." and substitute therefor "effective 0001 e.s.t., June 30, 1960."

(Secs. 307(a), 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on April 22, 1960.

GEORGE S. CASSADY,  
*Acting Director, Bureau of*  
*Air Traffic Management.*

[F.R. Doc. 60-3815; Filed, Apr. 27, 1960;  
8:45 a.m.]

## PART 602—ESTABLISHMENT OF CODED JET ROUTES AND NAVI- GATIONAL AIDS IN THE CON- TINENTAL CONTROL AREA

### Revocation of Segments of Coded Jet Routes

On February 13, 1960, a notice of proposed rule making was published in the FEDERAL REGISTER (25 F.R. 1469) stating that the Federal Aviation Agency proposed to revoke the segment of L/MF jet route No. 6 from Palmdale, Calif., to Prescott, Ariz., and to revoke the segments of L/MF jet routes Nos. 9 and 10 from Los Angeles, Calif., to Las Vegas, Nev.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

The substance of the proposed amendments having been published, therefore, pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) and for the reasons stated in the notice, §§ 602.106, 602.109 and 602.110 (14 CFR, 1958 Supp., 602.106, 602.109, 602.110) are amended to read:

§ 602.106 L/MF jet route No. 6 (Prescott, Ariz., to Front Royal, Va.).

From the Prescott, Ariz., RR via the El Morro, N. Mex., RR; Albuquerque, N. Mex., RR; Amarillo, Tex., RR; Oklahoma City, Okla., RR; Little Rock, Ark., RR; Memphis, Tenn., RR; Nashville, Tenn., RR; Charleston, W. Va., RR to the Front Royal, Va., RR.

§ 602.109 L/MF jet route No. 9 (Las Vegas, Nev., to Great Falls, Mont.).

From the Las Vegas, Nev., RR via the Enterprise, Utah, RR; Delta, Utah, RR; Salt Lake City, Utah, RR; Ogden, Utah, RR; Dubois, Idaho, RR; Dillon, Mont., RR to the Great Falls, Mont., RR.

§ 602.110 L/MF jet route No. 10 (Kansas City, Mo., to New York, N.Y.).

From the Kansas City, Mo., RR via the Belleville, Ill. (Scott AFB), RR; INT of the Belleville (Scott AFB), RR NE course and the Effingham, Ill., RR W course; Effingham RR; Indianapolis, Ind., RR; Dayton, Ohio (Wright-Patterson), RR; Columbus, Ohio, RR; Pittsburgh, Pa., RR; Philipsburg, Pa., RR to the New York, N.Y. (La Guardia), RR.

These amendments shall become effective 0001 e.s.t., June 30, 1960.

(Secs. 307(a), 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on April 22, 1960.

GEORGE S. CASSADY,  
*Acting Director, Bureau of*  
*Air Traffic Management.*

[F.R. Doc. 60-3816; Filed, Apr. 27, 1960;  
8:45 a.m.]

[Reg. Docket No. 344; Amdt. 164]

**PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES**

**Miscellaneous Alterations**

The new and revised standard instrument approach procedures appearing hereinafter are adopted to become effective and/or canceled when indicated in order to promote safety. The revised procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the revised procedures specify the complete procedure and indicate the changes to the existing procedures. Pursuant to authority delegated to me by the Administrator (24 F.R. 5662), I find that a situation exists requiring immediate action in the interest of safety, that notice and public procedure hereon are impracticable, and that good cause exists for making this amendment effective on less than thirty days' notice.

Part 609 (14 CFR Part 609) is amended as follows:

**1. The automatic direction finding procedures prescribed in § 609.100(b) are amended to read in part:**

**ADF STANDARD INSTRUMENT APPROACH PROCEDURE**

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Bethel LFR.....	XBE RBn.....	Direct.....	1200	T-dn..... C-dn..... A-dn.....	300-1 400-1 800-2	300-1 500-1 800-2	200-1½ 500-1½ 800-2

Procedure turn West side of crs, 004° Outbnd, 184° Inbnd, 1200' within 10 miles. Beyond 10 mi NA.

Minimum altitude over facility on final approach crs, 700'.

Crs and distance, facility to airport, 184°—0.6 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 mile, turn left and climb to 2300' to BET LFR, then on NE crs BET LFR within 20 miles or, when directed by ATC, climb to 2300' on crs 184° from XBE RBn within 20 miles.

City, Bethel; State, Alaska; Airport Name, Bethel Municipal; Elev., 135'; Fac. Class., MHW; Ident., XBE; Procedure No. 1, Amdt. Orig.; Eff. Date, 14 May 60

Tiverton VOR.....	MFD RBn.....	Direct.....	2500	T-dn.....	300-1	300-1	200-1½
Mansfield VOR.....	MFD RBn.....	Direct.....	2500	C-dn..... S-dn-32..... A-dn.....	500-1 400-1 800-2	500-1 400-1 800-2	500-1½ 400-1 800-2

Procedure turn North side of crs, 140° Outbnd, 320° Inbnd, 2500' within 10 miles. Beyond 10 mi NA.

Minimum altitude over facility on final approach crs, 2500'.

Crs and distance, facility to airport, 320°—4.0 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.0 miles after passing MFD RBn, climb on 320° crs to 2500' MSL, turn right and return to MFD RBn.

City, Mansfield; State, Ohio; Airport Name, Mansfield; Elev., 1296'; Fac. Class., BMH; Ident., MFD; Procedure No. 1, Amdt. Orig.; Eff. Date, 14 May 60

**2. The very high frequency omnirange (VOR) procedures prescribed in § 609.100(c) are amended to read in part:**

**VOR STANDARD INSTRUMENT APPROACH PROCEDURE**

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-d..... C-d..... A-d.....	300-1 600-1 NA		

Procedure turn South side of crs, 287° Outbnd, 107° Inbnd, 1200' within 10 miles. Beyond 10 miles NA.

Minimum altitude over facility on final approach crs, 800'.

Crs and distance, facility to airport, 107°—4.9 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.9 miles, make a left climbing turn and return to the Franklin VOR at 1200'. Hold on R-107, right turns, within 10 miles.

NOTE: Instrument takeoff not authorized from Runway 22. Right turn after takeoff from Runway 14 not authorized.

CAUTION: 277' smoke stacks 0.9 mile SW of airport.

City, Franklin; State, Va.; Airport Name, Franklin Municipal; Elev., 37'; Fac. Class., BVOR; Ident., FKN; Procedure No. 1, Amdt. Orig.; Eff. Date, 14 May 60

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
GSH LFR.....	GSH VOR.....	Direct.....	2000	T-dn..... C-dn..... S-d-9..... S-n-9..... A-dn.....	300-1 *500-1½ *500-1 *500-1½ 800-2		

Procedure turn South side of crs, 270° Outbnd, 090° Inbnd, 2000' within 10 miles. Beyond 10 miles NA.  
 Minimum altitude over GSH VOR on final approach crs, 1900'; over \*GSH LFR on final approach crs, 1500'.  
 Crs and distance, facility to airport, 090°—10.0 mi; \*GSH-LFR to airport, 090°—2.4 mi.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 10 miles of GSH-VOR or 2.4 miles of GSH-LFR, climb to 2300' on R-090 within 20 miles.  
 \*If passing GSH-LFR not identified on final, descent below 1500' MSL and ceiling minima below 700' NA.

City, Goshen; State, Ind.; Airport Name, Goshen; Elev., 823'; Fac. Class., BVOR; Ident., GSH; Procedure No. 1, Amdt. Orig.; Eff. Date, 14 May 60

				T-dn.....	300-1	300-1	NA
				C-dn.....	1000-1	1000-1	NA
				S-dn-18.....	1000-1	1000-1	NA
				A-dn.....	1000-2	1000-2	NA

Procedure turn W side of crs, 359° Outbnd, 179° Inbnd, 1800' within 10 miles. Beyond 10 miles NA. When authorized by ATC, DME may be used within 15 miles at 2100' orbiting altitude to position aircraft for final approach with elimination of a procedure turn.

Minimum altitude over facility on final approach crs, 1600'.  
 Crs and distance, facility to airport, 179°—5.5 mi.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.5 miles, make right turn, climb to 1900' direct to VLA VOR.

City, Vandalia; State, Ill.; Airport Name, Vandalia; Elev., 532'; Fac. Class., BVOR; Ident., VLA; Procedure No. 1, Amdt. Orig.; Eff. Date, 14 May 60

**3. The very high frequency omnirange-distance measuring equipment (VOR/DME) procedures prescribed in § 609.300 are amended to read in part:**

VOR-DME STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	

PROCEDURE CANCELLED, EFFECTIVE 14 MAY 1960.

City, Vandalia; State, Ill.; Airport Name, Vandalia; Elev., 539'; Fac. Class., VOR-DME; Ident., VLA; Procedure No. VOR-DME-18, Amdt. Orig.; Eff. Date, 3 Sept. 55

PROCEDURE CANCELLED UPON PUBLICATION IN THE FEDERAL REGISTER.

City, Vandalia; State, Ill.; Airport Name, Vandalia; Elev., 539'; Fac. Class., VOR-DME; Ident., VLA; Procedure No. VOR-DME-36, Amdt. Orig.; Eff. Date, 3 Sept. 55

**4. The instrument landing system procedures prescribed in § 609.400 are amended to read in part:**

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Tiverton VOR.....	LOM.....	Direct.....	2500	T-dn.....	300-1	300-1	200-½
Mansfield VOR.....	LOM.....	Direct.....	2500	C-dn.....	500-1	500-1	500-1½
				S-dn-32.....	200-½	200-½	200-½
				A-dn.....	600-2	600-2	600-2

Procedure turn North side of crs, 140° Outbnd, 320° Inbnd, 2500' within 10 mi. Beyond 10 miles NA.  
 Minimum altitude at glide slope interception inbnd, 2500'.  
 Altitude of glide slope and distance to approach end of Runway at OM, 2500'—4.0 mi; at MM, 1510'—0.6 mi.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 2500' on NE crs ILS, turn right and return to LOM.

City, Mansfield; State, Ohio; Airport Name, Mansfield; Elev., 1296'; Fac. Class., ILS; Ident., MFD; Procedure No. ILS-32, Amdt. Orig.; Eff. Date, 14 May 60

These procedures shall become effective on the dates indicated on the procedures.

(Secs. 313(a), 307(c), 72 Stat. 752, 749; 49 U.S.C. 1354(a), 1348(c))

Issued in Washington, D.C., on April 12, 1960.

OSCAR BAKKE,  
 Director, Bureau of Flight Standards.

## Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

**PART 204—TITLE I MORTGAGE INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT**

**PART 277—WAR HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT**

**PART 295—NATIONAL DEFENSE HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT**

EDITORIAL NOTE: In F.R. Doc. 60-3399, appearing at page 3208 of the issue for Thursday, April 14, 1960, the reference to a new paragraph (d) being added to each of §§ 204.11, 277.8, and 295.11 should have provided for the addition of "a new paragraph (e)" in the three instances cited inasmuch as a paragraph (d) had previously been added to the said sections by F.R. Doc. 59-8083 at 24 F.R. 7762.

## Title 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

SUBCHAPTER F—ENROLLMENT

**PART 48—ENROLLMENT OF INDIANS OF THE SAN PASQUAL BAND OF MISSION INDIANS IN CALIFORNIA**

Preparation, Approval and Maintenance of Roll

In order to adjust the time limitation for filing applications provided in 25 CFR 48.4 so it will begin on the effective date of the regulations governing the enrollment of the San Pasqual Band of Mission Indians in California, an amendment to § 48.4 *Application for enrollment*, is necessary.

In the first sentence of § 48.4 the words "effective date of these regulations" are substituted for the words "date of the publication of this part in the FEDERAL REGISTER."

The procedure for general notice of proposed rule making has been deemed impracticable as any delay in the effective date of this amendment will result in hardship to the persons intended to be benefited. The amendment will become effective at the beginning of the calendar day on which it is published in the FEDERAL REGISTER.

The first sentence of § 48.4 is amended to read as set forth below. The remainder of the section remains unchanged.

No. 83—2

### § 48.4 Application for enrollment.

A person who believes that he or she, or a minor or mental incompetent is entitled to enrollment with the Band, may, within ninety (90) days from the effective date of these regulations file with the Field Representative a written application for enrollment in this Band. \* \* \*

ELMER F. BENNETT,  
*Acting Secretary of the Interior.*

APRIL 25, 1960.

[F.R. Doc. 60-3818; Filed, Apr. 27, 1960; 8:45 a.m.]

SUBCHAPTER T—OPERATION AND MAINTENANCE

**PART 221—OPERATION AND MAINTENANCE CHARGES**

**Utah Indian Irrigation Project, Utah; Basic Water Charges**

In order to permit the completion of an investigation as to the basic water charge which should appropriately be made with respect to the operation and maintenance of the Utah Indian Irrigation Project, Utah, due date as fixed in § 221.78 for assessments provided in §§ 221.77 and 221.77b of Title 25 of the Code of Federal Regulations, and as extended to May 1, 1960, by action of this office on March 28, 1960, is hereby further extended to June 1, 1960, for the 1960 irrigation season only.

ELMER F. BENNETT,  
*Acting Secretary of the Interior.*

APRIL 26, 1960.

[F.R. Doc. 60-3873; Filed, Apr. 27, 1960; 8:50 a.m.]

## Title 39—POSTAL SERVICE

Chapter I—Post Office Department

**PART 17—CONDITIONS APPLICABLE TO PARCELS ADDRESSED TO CERTAIN MILITARY POST OFFICES OVERSEAS**

**PART 21—FIRST CLASS**

**PART 24—THIRD CLASS**

**PART 25—FOURTH CLASS**

**PART 34—PERMIT IMPRINTS**

**Miscellaneous Amendments**

The regulations of the Post Office Department are amended as follows:

§ 17.1 [Amendment]

I. In § 17.1 *Conditions applicable to parcels addressed to certain military post offices overseas*, as amended by Federal Register Document 59-649, 24 F.R. 566-567, Federal Register Document 59-5314, 24 F.R. 5302-5303, Federal Register Document 60-1081, 25 F.R. 905-908, delete Military APO number 73, and amend Military APO number 240 to read as follows:

240	-----	X	-----	7X	-----	-----
-----	-------	---	-------	----	-------	-------

NOTE: The corresponding Postal Manual Section is 127.1.

(R.S. 161, as amended, 396, as amended, 398, as amended; 5 U.S.C. 22, 369, 372)

II. Section 21.1 *Rates* is amended for the purpose of clarification to read as follows:

§ 21.1 *Rates.*

Kind of mail	Rate
All first-class mail except postal and post cards and drop letters.	4 cents per ounce or fraction of an ounce.
Drop letters.	3 cents per ounce or fraction of an ounce.
Single postal cards and post cards.	3 cents each.
Double postal cards and post cards (reply portion of double post card does not have to bear postage when originally mailed).	6 cents (3 cents each portion).
Business reply mail (see § 21.2(c)).	
Cards.	5 cents each.
Other than cards:	
Weight not over 2 ounces.	4 cents per ounce or fraction of an ounce plus 2 cents per piece.
Weight over 2 ounces.	4 cents per ounce or fraction of an ounce plus 5 cents per piece.
Airmail.	See § 26.1 of this chapter.

NOTE: The corresponding Postal Manual Section is 131.1.

(R.S. 161, as amended, 396, as amended, sec. 9, 20 Stat. 358, as amended, sec. 2, 45 Stat. 940, as amended, sec. 201, 62 Stat. 1261, as amended; 5 U.S.C. 22, 369, 39 U.S.C. 280, 303, 463a)

III. In § 21.2 *Classification*, subdivision (iii) of paragraph (a) (8), as amended by Federal Register Document 60-1081, 25 F.R. 905-908, is amended for the purpose of clarification to read as follows:

§ 21.2 *Classification.*

- (a) *Description.* \* \* \*
- (8) Written matter includes:

(iii) *Manuscript or typewritten copy.* See § 24.2(a)(1) of this chapter for manuscripts with proof sheets, and § 25.2(a)(4)(vi) and § 25.2(a)(5)(i)(f) of this chapter for certain other manuscripts.

NOTE: The corresponding Postal Manual Section is 131.218c.

(R.S. 161, as amended, 396, as amended, secs. 7, 8, 20 Stat. 358, as amended, 46 Stat. 526; 39 U.S.C. 221, 221a, 222)

IV. In § 24.4 *Preparation; payment of postage*, paragraph (b) (8), as amended by Federal Register Document 59-6288, 24 F.R. 6225-6232, Federal Register Document 60-1081, 25 F.R. 905-908, is amended by inserting "special delivery" immediately following the word "insurance". As so amended, paragraph (b) (8) reads as follows:

§ 24.4 *Preparation; payment of postage.*

- (b) *Bulk mailings.* \* \* \*
- (8) *Special services.* The registry, insurance, special delivery, certified and COD services may not be used for third-class matter mailed at bulk rates.

NOTE: The corresponding Postal Manual Section is 134.428.

(R.S. 161, as amended, 396, as amended, sec. 12, 65 Stat. 676, as amended; 5 U.S.C. 22, 369, 39 U.S.C. 246f)

V. In § 24.7 *Enclosures*, paragraph (a) as amended by Federal Register Document 60-1081, 25 F.R. 905-908, is amended for the purpose of clarification to read as follows:

#### § 24.7 Enclosures.

(a) *Books and catalogs mailed at bulk rates*—(1) *Permissible*. Loose enclosures relating exclusively to the book or catalog they accompany may be enclosed and mailed at the rate in § 24.1(b)(1). Loose enclosures are restricted to:

(i) Single reply envelope or reply post card, or both.

(ii) Single order form.

(iii) Printed circular.

(iv) If no circular is enclosed, a printed price list listing only articles featured in the catalog and showing only the same prices and discounts as the catalog.

(v) An invoice. (See § 25.5(b)(3) of this chapter.)

(2) *Prohibited*. Samples of cloth or other merchandise may not be enclosed, either loose or attached. If circular and other printed matter is attached to a book or catalog, it does not have to conform to the conditions for loose enclosures. "Attached" means pasted along the entire bound edge of, or fastened with at least two stitches or staples securely enough to form an integral part of the book or catalog.

NOTE: The corresponding Postal Manual Section is 134.71.

(R.S. 161, as amended, 396, as amended, sec. 1, 25 Stat. 1, as amended; 5 U.S.C. 22, 369, 39 U.S.C. 249)

VI. In § 25.2 *Classification*, paragraph (a)(3) is amended for the purpose of clarification to read as follows:

#### § 25.2 Classification.

(a) *Description*. \* \* \*

(3) Catalogs and similar printed advertising matter in bound form, having 24 or more pages at least 22 of which are printed, weighing 16 ounces or more but not exceeding 10 pounds, may be accepted at the zone rates in § 25.1(b).

NOTE: The corresponding Postal Manual Section is 135.213.

(R.S. 161, as amended, 396, as amended, 3879, as amended, sec. 204, 62 Stat. 1262, as amended, sec. 1, 65 Stat. 610, as amended; 5 U.S.C. 22, 369, 39 U.S.C. 240, 240a, 292a)

VII. Section 34.2 *Form of permit imprints*, as amended by Federal Register Document 59-6885, 24 F.R. 6807-6812, is amended by (1) striking out "Form" in the section heading, and inserting in lieu thereof "Preparation"; (2) removing the restriction against the use of handstamps in the preparation of permit imprints; and (3) deleting the illustrations which immediately follow the last sentence

therein. As so amended, § 34.2 reads as follows:

#### § 34.2 Preparation of permit imprints.

Permit imprints may be made by printing press, handstamp, lithography, mimeograph, multigraph, addressograph, or similar device. They may not be typewritten or hand drawn. The style of imprint must conform with those illustrated in § 34.4. No other style may be used. The imprint must be legible and must be of a color that contrasts sufficiently with the paper to make the imprint readable. It must be placed in the upper right corner of the address side of each piece.

NOTE: The corresponding Postal Manual Section is 144.2.

(R.S. 161, as amended, 396, as amended, sec. 5, 41 Stat. 583, as amended, 47 Stat. 647; 5 U.S.C. 22, 369, 39 U.S.C. 273, 273a)

VIII. § 34.3 *Content of permit imprints*, as amended by Federal Register Document 59-6885, 24 F.R. 6807-6812, is amended by deleting "Printed" where it appears in the sentence which precedes paragraph (a), and by the deletion of the illustrations which immediately follow the last sentence therein. As so amended, § 34.3 reads as follows:

#### § 34.3 Content of permit imprints.

Permit imprints must show:

(a) *For first-class mail*. City and State; date (hour may be included with date if mailing is made in time to be

dispatched at that hour); the words "First-Class Mail" and "Paid" with the amount of postage; and the permit number. Exception: The date may be omitted from any mail when sender so desires.

(b) *For second-, third-, and fourth-class mail*. Same as first-class, except the date and the words "First-Class Mail" are omitted. The amount of postage may be omitted on matter mailed at bulk third-class pound rates, but should be included when it is known the per-piece rates will apply. The amount of postage must be shown on pieces of third-class mail subject to the minimum charge for odd size or shape. (See § 24.2(b)(3).)

NOTE: The corresponding Postal Manual Section is 144.3.

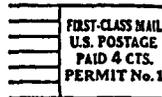
(R.S. 161, as amended, 396, as amended, sec. 5, 41 Stat. 583, as amended, 47 Stat. 647; 5 U.S.C. 22, 369, 39 U.S.C. 273, 273a)

IX. Strike out § 34.4 *Additions*, and insert in lieu thereof a new § 34.4 *Form of permit imprints* to display more clearly the manner in which the three approved forms of imprints are to be used on the several classes of mail. As so amended, § 34.4 reads as follows:

#### § 34.4 Form of permit imprints.

Permit imprints must be prepared in one of the forms illustrated. The addition of extraneous matter is not permitted.

#### FIRST-CLASS MAIL



NOTE: The corresponding Postal Manual Section is 134.71.

#### § 25.2 Classification.

(a) *Description*. \* \* \*

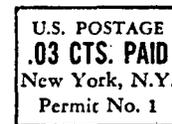
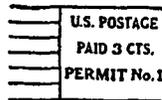
(3) Catalogs and similar printed advertising matter in bound form, having 24 or more pages at least 22 of which are printed, weighing 16 ounces or more but not exceeding 10 pounds, may be accepted at the zone rates in § 25.1(b).

NOTE: The corresponding Postal Manual Section is 135.213.

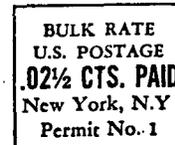
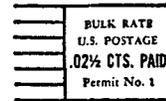
(R.S. 161, as amended, 396, as amended, 3879, as amended, sec. 204, 62 Stat. 1262, as amended, sec. 1, 65 Stat. 610, as amended; 5 U.S.C. 22, 369, 39 U.S.C. 240, 240a, 292a)

VII. Section 34.2 *Form of permit imprints*, as amended by Federal Register Document 59-6885, 24 F.R. 6807-6812, is amended by (1) striking out "Form" in the section heading, and inserting in lieu thereof "Preparation"; (2) removing the restriction against the use of handstamps in the preparation of permit imprints; and (3) deleting the illustrations which immediately follow the last sentence

#### SECOND-, THIRD-, AND FOURTH-CLASS MAIL (date and First-Class Mail omitted)



#### BULK THIRD-CLASS MAIL (Pound rates only)



NOTE: The corresponding Postal Manual Section is 144.4.

(R.S. 161, as amended, 366, as amended, sec. 5, 41 Stat. 583, as amended, 47 Stat. 647; 5 U.S.C. 22, 369, 39 U.S.C. 273, 273a)

[SEAL]

HERBERT B. WARBURTON,  
General Counsel.

[F.R. Doc. 60-3783; Filed, Apr. 27, 1960; 8:45 a.m.]

# Title 41—PUBLIC CONTRACTS

## Chapter I—Federal Procurement Regulations

### PART 1-1—GENERAL

#### Subpart 1-1.3—General Policies

##### TIME OF DELIVERY OR PERFORMANCE REQUIREMENTS

Section 1-1.316 is added, as follows:

Sec.	
1-1.316	Time of delivery or performance.
1-1.316-1	Scope and applicability.
1-1.316-2	General.
1-1.316-3	Factors to be considered.
1-1.316-4	Terms.
1-1.316-5	Time of delivery clauses.

#### § 1-1.316 Time of delivery or performance.

##### § 1-1.316-1 Scope and applicability.

This section 1-1.316 prescribes policy and procedure regarding requirements as to time for delivery or performance in contracting for personal property or nonpersonal services. This section does not, however, apply to contracts for construction.

##### § 1-1.316-2 General.

(a) The time of delivery or of performance is an important element of a contract and must be clearly set forth in invitations for bids and requests for proposals. Time schedules for delivery or performance shall be designed to meet the requirements of the particular procurement, all relevant factors considered (see section 1-1.316-3), and must be realistic. Schedules which are unreasonably tight or difficult of attainment tend to restrict competition, are inconsistent with small business policies, and may result in higher contract prices. Therefore, before issuing an invitation for bids or request for proposals, the contracting officer shall question any delivery or performance schedule which appears unrealistic and, if necessary, initiate action to make appropriate adjustments.

(b) Where timely delivery or performance is unusually important to the Government, a liquidated damages provision may be used as provided for in section 1-1.315.

(c) Invitations for bids and requests for proposals shall, when appropriate, inform bidders or offerors of the basis on which their bids or proposals will be evaluated with respect to time of delivery or performance.

##### § 1-1.316-3 Factors to be considered.

Factors to be considered in establishing delivery or performance schedules may include one or more of the following:

- (a) Urgency of need for the property or services.
- (b) Production time due to quantity, complexity of design, etc.
- (c) Market conditions.
- (d) Transportation time.
- (e) Industry practices.
- (f) Capabilities of small business concerns.

(g) Time for obtaining and evaluating bids or offers, and for awarding contracts.

(h) Time for contractors to comply with any conditions precedent to performance.

(i) Time for the Government to perform its obligations under the contract (e.g., furnishing of Government property to the contractor, approval of pre-production samples, and inspection).

##### § 1-1.316-4 Terms.

(a) Delivery schedules may be expressed in terms of—

(1) Specific calendar dates (e.g., on or before July 1, 1960);

(2) Specified periods from date of contract (i.e., from date of award or acceptance by the Government, or from date shown on contract document as effective date of contract); or

(3) Specified periods from date of receipt by contractor of notice of award or acceptance by the Government (including notice by receipt of contract document executed by the Government).

The full period which the Government holds out as being available for contract performance should not be curtailed to the prejudice of the contractor by delay in giving notice of award. Accordingly, one of the provisions in paragraph (b) or (c) of this section shall be used in advertised procurements and may be suitably modified and used as appropriate in negotiated procurements.

(b) Where the delivery schedule is expressed in terms of specific calendar dates (see paragraph (a) (1) of this section), invitations for bids shall include one of the following provisions:

(1) The foregoing delivery requirements are based on the assumption that the Government will make award by (procuring activity insert calendar date). Each delivery date in the delivery schedule set forth herein will be extended by the number of calendar days after the above date that the contract is in fact awarded. Attention is directed to paragraph 8(d) of the Terms and Conditions of the Invitation for Bids, which provides that a written award mailed or otherwise furnished to the successful bidder results in a binding contract. Therefore, in computing the available time for performance, the bidder should take into consideration the time required for notice of award to arrive through the ordinary mails.

(2) The foregoing delivery requirements are based on the assumption that the successful bidder will receive the notice of award by (procuring activity insert calendar date). The Government will extend each delivery date in the delivery schedule set forth herein by the number of calendar days after the above date that the contractor receives notice of award, if the contractor promptly acknowledges such receipt.

(c) Where the delivery schedule is based on the date of contract (see paragraph (a) (2) of this section), the invitations for bids shall include the following provision:

Attention is directed to paragraph 8(d) of the Terms and Conditions of the Invitation for Bids, which provides that a written award mailed or otherwise furnished to the successful bidder results in a binding contract. Any award hereunder, or a preliminary notice thereof, will be mailed or otherwise furnished to the bidder the day the award is

dated. Therefore, in computing the time available for performance, the bidder should take into consideration the time required for the notice of award to arrive through the ordinary mails. However, a bid offering delivery based on date of receipt by the contractor of the contract or notice of award (rather than contract date) will be evaluated by adding the maximum number of days normally required for delivery of the award through the ordinary mails. If, as so computed, the delivery date offered is later than the delivery date required in the invitation, the bid will be considered nonresponsive and rejected.

(d) Where the delivery schedule is based on the date of the contract (see paragraphs (a) (2) and (c) of this section), the contract, notice of award, acceptance of proposal, or other contract document executed by the Government shall be mailed or otherwise furnished the contractor on the date shown thereon.

(e) Where the delivery schedule is based on date of receipt by the contractor of notice of award (see paragraph (a) (3) of this section), or where it is expressed in terms of specific calendar dates on the assumption that notice of award will be received by a specified date (see paragraph (b) (2) of this section), the notice of award, acceptance of proposal, or other contract document executed by the Government shall be sent by certified mail, return receipt requested, or by any other appropriate method which will provide evidence of the date of receipt.

(f) When the required delivery schedule in the invitation for bids is based on date of the contract (see paragraph (a) (2) of this section), a bid which offers delivery based on date of receipt by the contractor of the contract or notice of award (see paragraph (a) (3) of this section)—

(1) Shall be evaluated by adding the maximum number of days normally required for delivery of the notice of award through the ordinary mails; and

(2) If the delivery date offered by the bid (computed in accordance with subparagraph (1) of this paragraph) is later than the delivery date required in the invitation for bids, the bid shall be considered nonresponsive and rejected; but

(3) If award is made under subparagraph (1) of this paragraph, under the terms of the contract the delivery date will be computed on the basis of the number of days after actual receipt by the contractor of the notice of award as specified in the bid.

##### § 1-1.316-5 Time of delivery clauses.

(a) Examples of time of delivery clauses for invitations for bids are set forth below. They may be modified, or other clauses may be used, to state particular delivery requirements or any special procedures to be used in the evaluation, rejection, or award process as regards time of delivery. These clauses also may be suitably modified and used as appropriate in negotiated procurements.

(b) The following clause may be used where delivery by a particular time is necessary to meet the Government's requirements:

**RULES AND REGULATIONS**

**TIME OF DELIVERY**

Delivery is required to be made in accordance with the following schedule:

Item No.	Quantity	Time
-----	-----	-----
-----	-----	-----

Bids offering delivery of each quantity within the applicable delivery period specified above will be evaluated equally as regards time of delivery. Bids offering delivery of a quantity under such terms or conditions that delivery will not clearly fall within the applicable delivery period specified above will be considered nonresponsive and will be rejected. Where a bidder offers an earlier delivery schedule than that called for above, the Government reserves the right to award either in accordance with the required schedule or in accordance with the schedule offered by the bidder. If the bidder offers no other delivery schedule, the delivery schedule stated above shall apply.

**Bidder's Proposed Delivery Schedule**  
(To Be Completed by Bidder)

Item No.	Quantity	Time
-----	-----	-----
-----	-----	-----

\*Contracting officer shall insert the appropriate one of the following phrases, in both of the indicated spaces:

- (1) "On (on or before) the date(s) specified below."
- (2) "Within the number of days stated below after date of contract."
- (3) "Within the number of days stated below after the date of receipt of a written notice of award."
- (4) "Within the periods specified below." (NOTE: When this phrase is inserted, the wording "during the month(s) of -----" or "not sooner than ----- and not later than -----" should be used to specify the periods.)

(c) The following clause may be used where delivery by a certain time is desired although not essential, but delivery by a specified later time is necessary to meet the Government's requirements:

**TIME OF DELIVERY**

Delivery is desired by the Government in accordance with the following schedule:

Item No.	Quantity	Time
-----	-----	-----
-----	-----	-----

If the bidder is unable to meet the above delivery schedule, he may, without prejudice to the evaluation of his bid, set forth his Proposed Delivery Schedule below; but such delivery schedule must not extend the delivery period beyond the time for delivery called for in the following required delivery schedule:

**REQUIRED DELIVERY SCHEDULE**

Item No.	Quantity	Time
-----	-----	-----
-----	-----	-----

Bids offering delivery of a quantity under such terms or conditions that delivery will not clearly fall within the applicable required delivery period specified above will be considered nonresponsive and will be rejected. If the bidder does not propose a different delivery schedule, the Government's desired delivery schedule shall apply.

**Bidder's Proposed Delivery Schedule.**

(To Be Completed by Bidder)

Item No.	Quantity	Time
-----	-----	-----
-----	-----	-----

\*Contracting officer shall insert the appropriate one of the following phrases, in each of the three indicated spaces:

- (1) "On (on or before) the date(s) specified below."
- (2) "Within the number of days stated below after date of contract."
- (3) "Within the number of days stated below after the date of receipt of a written notice of award."
- (4) "Within the periods specified below." (NOTE: When this phrase is inserted, the wording "during the month(s) of -----" or "not sooner than ----- and not later than -----" should be used to specify the periods.)

**Effective date.** These regulations are effective August 15, 1960, but may be observed earlier.

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

Dated: April 20, 1960.

FRANKLIN FLOETE,  
Administrator of General Services.  
[F.R. Doc. 60-3766; Filed, Apr. 27, 1960;  
8:45 a.m.]

**Title 46—SHIPPING**

**Chapter II—Federal Maritime Board,  
Maritime Administration, Department  
of Commerce**

**SUBCHAPTER C—REGULATIONS AFFECTING SUBSIDI-  
ZED VESSELS AND OPERATORS**

[General Order 31, 2d Rev.]

**PART 286—ESTABLISHMENT AND  
MAINTENANCE OF THE STATU-  
TORY CAPITAL AND SPECIAL RE-  
SERVE FUNDS AND DETERMINA-  
TION OF "CAPITAL NECESSARILY  
EMPLOYED IN THE BUSINESS"  
AND "NET EARNINGS"**

Effective January 1, 1958, Part 286, except § 286.2(g) which shall be effective August 14, 1958, is revised to read as follows:

- Sec.
- 286.1 Order.
  - 286.2 Creation and maintenance of statutory reserve funds.
  - 286.3 Capital necessarily employed in the business.
  - 286.4 Net earnings.
  - 286.5 Preliminary compliance with reserve and recapture requirements.
  - 286.6 Explanations and reservations.

**AUTHORITY:** §§ 286.1 to 286.6 issued under secs. 204, 207 (49 Stat. 1987, 1988, as amended; 46 U.S.C. 1114, 1117) and § 607 (47 Stat. 2005, 72 Stat. 592; 46 U.S.C. 1177).

**§ 286.1 Order.**

Pursuant to the Merchant Marine Act, 1936, as amended, particularly section 607(d) thereof, the Maritime Administration hereby adopts §§ 286.1 to 286.6 for the establishment and maintenance of the statutory Capital and Special Reserve Funds, including the making of tentative deposits in the said funds in

advance of completion of accounting between the Maritime Administration and the other party to an Operating-Differential Subsidy Agreement (therein referred to as the operator) for the year or other accounting period involved; and the determination of capital necessarily employed in the business and net earnings for the purposes of applying the reserve and recapture provisions of Operating-Differential Subsidy Agreements, under the act (therein sometimes referred to as the agreement), to the extent that such rules and regulations are not in conflict with the provisions of the said agreements.

**§ 286.2 Creation and maintenance of statutory reserve funds.**

(a) **Application of operator and authoritative orders.** (1) At or before the time of the first deposit required to be made therein, the operator shall select, and make written application to the Maritime Administrator for approval of, the depository or depositories with whom it proposes to establish and maintain the Capital Reserve Fund and Special Reserve Fund.

(2) When such depository or depositories have been so designated and approved, the Maritime Administrator will adopt an appropriate order authorizing the establishment of the reserve fund involved, setting forth the conditions and restrictions under which it is to be maintained and with respect to withdrawals therefrom, and designating those authorized to execute, on behalf of the Maritime Administrator, instruments of withdrawal therefrom.

(3) A certified copy of such order will be furnished the depository for its guidance in honoring instruments of withdrawal and acting upon other instructions regarding the fund. The operator also will be furnished a certified copy of such order, promptly upon receipt of which its Board of Directors shall adopt an appropriate resolution with respect to the fund in conformity with the action of the Maritime Administrator, and a certified copy thereof shall be furnished the Maritime Administrator for his records.

(b) **Amounts required to be deposited and authorized to be withdrawn—**(1) **Mandatory deposits.** (i) Mandatory deposits (i.e., deposits which are required to be made in the statutory reserve funds, either by the provisions of the act or of the agreement or by direction of the Maritime Administrator under the authority of the act or of the agreement) shall be made by the operator at the times and in the amounts so required without prior application to the Maritime Administrator and, when based upon preliminary or tentative calculations, shall be subject to adjustment upon the completion of final accounting for the year or other accounting period involved.

(ii) The amount of income earned on investments (including interest on bank deposits) in the statutory reserve funds which, pursuant to the provisions of the act and of the agreement, is required to be deposited in the statutory reserve funds, shall be deducted (to the extent allocated to subsidized operations under the other sections of this part) only for

the purpose of determining the amount, if any, of the net earnings of the operator in excess of ten (10) percent per annum on the operator's capital necessarily employed (remaining after deducting any other payments made from such net earnings into the Capital Reserve Fund) which, pursuant to the provisions of the act and of the agreement, is required to be deposited in the Special Reserve Fund.

(2) *Voluntary deposits and transfers.* Voluntary deposits (i.e., deposits which, under the provisions of the act and of the agreement, the operator may be permitted to make in the statutory reserve funds, but which are not mandatory) and transfers from the Special Reserve Fund to the Capital Reserve Fund, or from such statutory reserve funds to the general funds of the operator, shall be made only upon written application to, and receipt of written approval thereof from, the Maritime Administrator. Such application shall include a full statement of facts as to the desirability or necessity of making the deposit or transfer and, when required, shall be supported by adequate financial data.

(3) *Withdrawals.* Withdrawals from the statutory reserve funds (including transfers between the funds) shall be made only at the times and in the amounts authorized by the provisions of the act or of the agreement or by the Maritime Administrator under the authority of the act or of the agreement. Checks, drafts, or other instruments of withdrawal, after having been executed by the operator, shall be forwarded to the Maritime Administrator at Washington with appropriate explanation of the purposes of the proposed withdrawal, including properly certified invoices or other supporting papers. Such instruments of withdrawal, after countersignature on behalf of the Maritime Administrator, will be forwarded to the payees or returned to the operator, as the operator requests. Transfers between accounts in the same depository and for the same statutory reserve fund shall not be deemed withdrawals for the purpose of this paragraph.

(4) *Constructive deposits and withdrawals.* Except where specifically provided for in other general orders, no transaction shall be treated as a constructive deposit into, or a constructive withdrawal from, the statutory reserve funds, without the prior written consent of the Maritime Administrator. Adjustments of tentative deposits will be treated as provided in paragraph (f) of this section and such are not deemed to be constructive deposits or withdrawals.

(5) *Reporting requirements.* (i) The operator shall promptly notify the Comptroller, Maritime Administration, Washington 25, D.C., of all deposits into the statutory reserve funds, giving full details with respect thereto.

(ii) The detail of activities in the statutory reserve funds shall be reported by the operator to the appropriate District Comptroller of the Maritime Administration at such times and in such form as prescribed by the Comptroller.

(c) *Investment of statutory reserve funds in securities.* (1) The Maritime

Administrator hereby approves the deposit of marketable interest-bearing direct obligations of the United States or obligations fully guaranteed as to principal and interest by the United States in the Capital Reserve Fund or Special Reserve Fund in lieu of cash and the purchase of such obligations with cash on deposit in the said funds: *Provided, however,* That in no event shall an operator, without prior written approval of the Maritime Administrator, purchase, with moneys on deposit in the statutory reserve funds, evidences of indebtedness which are guaranteed by the United States pursuant to Title XI of the Merchant Marine Act, 1936, as amended.

(2) Subject to the further limitations prescribed in the applicable provisions of the act and the agreement, the operator shall make written application to the Maritime Administrator in all instances involving the deposit of any other securities in the Capital Reserve Fund or Special Reserve Fund in lieu of cash or the purchase thereof with (and to replace) cash on deposit in such funds, the transfer of securities from the Special Reserve Fund to the Capital Reserve Fund, or vice versa, and the replacement of securities on deposit in such funds with cash or securities from the general funds of the operator. The operator shall not consummate any such transaction until the written consent of the Maritime Administrator shall have been received. The application shall describe fully the securities and explain the desirability of the transaction and shall include a statement of the availability of cash in the statutory reserve funds in excess of sums required to meet maturing obligations or other demands to be liquidated with amounts on deposit in such funds. Every approval by the Maritime Administrator of an application from an operator for permission to deposit securities other than marketable interest-bearing direct obligations of the United States or obligations fully guaranteed as to principal and interest by the United States in the statutory reserve funds in lieu of cash, or to purchase such securities with cash on deposit in the said funds, shall be conditioned upon agreement by the operator to dispose of such securities forthwith upon subsequent request by the Maritime Administrator.

(3) Immediately upon the purchase of any securities for deposit in the statutory reserve funds, the operator shall advise the Maritime Administrator, giving the date of purchase, a description of the securities, and the price paid therefor (net, brokerage and other charges, and gross).

(4) Income earned on investments held in either the Capital Reserve Fund or Special Reserve Fund shall be deposited when received in the Capital Reserve Fund: *Provided,* That, upon receipt of the first interest payment following the purchase of securities for deposit in the Special Reserve Fund, the amount, if any, of accrued interest which was included in the cost of the securities (and, therefore, does not constitute an earning) shall be retained in the Special

Reserve Fund, and the balance thereof, if any, shall be deposited in the Capital Reserve Fund.

(5) Interest paid by a depository or depositories on the cash balance (including time deposits) in the Capital Reserve Fund or Special Reserve Fund shall be retained in the fund with respect to which such interest payment is made.

(d) *Valuation of securities in statutory reserve funds.* The bases for valuation of securities in transactions involving the statutory reserve funds shall be as follows:

(1) Securities deposited in the statutory reserve funds in lieu of cash or in exchange for securities then on deposit in such funds shall be valued at market at the time of such deposit, unless otherwise determined by the Maritime Administrator.

(2) Securities transferred from the Special Reserve Fund to the Capital Reserve Fund, or vice versa, shall (subject to adjustment for accrued interest) be valued at the same amount as when deposited in the fund from which they are transferred, unless the Maritime Administrator in approving such transfer shall determine otherwise.

(3) The net proceeds derived from the disposal of securities on deposit in either of the statutory reserve funds shall be retained in the reserve fund from which such securities are withdrawn, except that with respect to securities in the Special Reserve Fund purchased at a discount and disposed of at a profit, so much of such profit as represents the difference between the cost and the par or face value thereof shall be deemed to be interest and shall be deposited in the Capital Reserve Fund.

(4) If securities on deposit in either of the statutory reserve funds are replaced by cash or securities from the general funds of the operator, the amount of cash or the value of securities to be deposited in such reserve fund, in lieu thereof, shall be the equivalent of the amount at which such replaced securities were valued at the time of their deposit in said fund (with adjustment on account of accrued interest), or the market value thereof at the time of withdrawal, whichever is the higher.

(5) For the purposes of this part, the market value of securities shall be determined in the following manner:

(i) With respect to transactions involving the purchase of securities with cash on deposit in the statutory reserve funds or the sale of securities on deposit therein, market value shall be the gross price paid or the net price received after proper brokerage and transfer taxes, if any, and adjusted for accrued interest: *Provided,* That if such securities are purchased or sold otherwise than upon a registered exchange, the price shall be within the range of transactions on the exchange on the date of such purchase or sale, or if there were no such transactions, then the market value thereof shall be determined by the Maritime Administrator on such basis as he may deem to be fair and reasonable in each individual case.

(ii) Where no actual purchase or sale is involved, such as the initial deposit of securities in the statutory reserve funds

in lieu of cash or the replacement of securities on deposit therein by cash from the general funds of the operator, the last published sales price thereof on the day the transfer was made shall be deemed to be the market value thereof, or if no such sales were made, the market value thereof shall be determined by the Maritime Administrator on such basis as he may deem to be fair and reasonable in each individual case.

(e) *Time deposits.* Deposits in the statutory reserve funds not invested in securities may be placed in time deposits when, in the judgment of the Maritime Administrator and the operator, it is desirable and feasible so to do. No such time deposits requiring withdrawal notice of more than thirty (30) days shall be made, however, until the written consent of the Maritime Administrator first shall have been obtained.

(f) *Adjustment of tentative deposits.* (1) When the amount deposited in the Capital Reserve Fund or the Special Reserve Fund, based on preliminary or tentative calculations, is less than the amount required to be deposited therein, as determined upon the completion of final accounting for the year or other accounting period involved, the deficiency shall be cured promptly by the operator.

(2) When the amount deposited in the Capital Reserve Fund or the Special Reserve Fund, based on preliminary or tentative calculations, exceeds the amount required to be deposited therein, as determined upon the completion of final accounting for the year or other accounting period involved, adjustment thereof shall be accomplished by deducting such over-deposit from amounts subsequently required to be deposited in the fund involved: *Provided*, That to the extent such over-deposits in the Special Reserve Fund are sufficient to cure under-deposits in the Capital Reserve Fund, the adjustment, with the prior written approval of the Maritime Administrator, may be accomplished by transfer from the former to the latter.

(g) *Investment of statutory reserve funds in Common Stocks.*—(1) *Definitions for purposes of this paragraph.* (i) The term "Administrator" means the Maritime Administrator.

(ii) The term "Operator" (referred to as the "Settlor" in the Common Stock Trust Agreement) means a steamship company having an Operating-Differential Subsidy Agreement.

(iii) The term "Trustee" means an organization approved by the Administrator, incorporated as a bank or trust company under the laws of the United States, or of any State or of the District of Columbia, which is authorized under such laws to exercise trust powers and is subject to supervision by Federal, State or District of Columbia authority.

(iv) The term "Capital Reserve Fund-Common Stock Trust" means a Common Stock Trust authorized by section 607(d) of the Merchant Marine Act, 1936, as amended, the funds for the establishment of which are transferred from the Capital Reserve Fund for investment through a trustee in common stocks as

specified in subparagraph (6) (i) of this paragraph. Such Common Stock Trust shall at all times remain a part of the Capital Reserve Fund.

(v) The term "Special Reserve Fund-Common Stock Trust" means a Common Stock Trust authorized by section 607(d) of the Merchant Marine Act, 1936, as amended, the funds for the establishment of which are transferred from the Special Reserve Fund for investment through a trustee in common stocks as specified in subparagraph (6) (i) of this paragraph. Such Common Stock Trust shall at all times remain a part of the Special Reserve Fund.

(vi) (a) The term "market value" in relation to the Common Stock Trust, means the last published sales price for a common stock on the principal exchange (the New York Stock Exchange or the American Stock Exchange as opposed to a regional exchange, in the event of a multiple listing) on which the security is listed on the day the valuation is made. If there are no transactions in the security on the date of valuation, the market value shall be determined to be the most recent published sales price on the principal exchange or the mean between the most recent bid and asked quotations, whichever is later.

(b) The term "market value" in relation to approved securities approved by the Administrator on deposit in the non-trust portions of the Capital Reserve Fund and the Special Reserve Fund means the closing bid quotation in the over-the-counter market on the date the valuation is made, as reported in any recognized daily financial newspaper; or if not reported in a recognized daily financial newspaper, the term market value means the bid quotations for the date of valuation, obtained from a dealer trading in securities which may or may not be quoted in the daily lists of the quotation services.

(vii) The term "book value" as applied to the common stocks in the Common Stock Trusts means the cost of acquisition of such securities, adjusted to include brokerage fees, commissions, and expenses incurred, if any, in acquiring such securities. In the case of receipt of stock dividends and stock rights or any other transactions where the adjusted basis for Federal income tax purposes would be other than such adjusted cost of acquisition, the book value shall be the same as the adjusted basis that would be used under the Federal income tax law and regulations in effect at the time the valuation is made for the purpose of determining the capital gain (or capital loss when book value is being used to compute a capital loss) from the sale or other disposition of the securities. In such determination the adjusted basis shall be that which it would be if the securities had been held by the Operator in its general funds.

(viii) The term "income" means the amount received by the Trustee of the Common Stock Trust which would be ordinary taxable income under the Federal income tax law and regulations in effect when said amount is received: *Provided*, That all cash dividends when declared and property received, other

than that received in liquidation, shall be considered as income.

(ix) The term "principal" means the original amount of the Common Stock Trust and subsequent transfers thereto made in accordance with subparagraph (3) (ii) of this paragraph, together with accretions not considered to be income. Capital gains, stock dividends, distributions of stock (not subject to ordinary Federal income tax), stock rights and the proceeds from the sale of stock rights and property received in liquidation shall be considered principal.

(x) The terms "capital gain" and "capital loss" mean the difference between the net proceeds from the sale or other disposition of securities or other interests and the book value of such securities or other interests. In the case of disposition, brokerage fees, commissions and expenses and Federal and/or State transfer taxes are to be a reduction of the price received.

(xi) The terms "unrealized capital gain" and "unrealized capital loss" mean, as applied to securities in the Common Stock Trusts at the end of a recapture period, the difference between the book value of the securities and the market value of the securities on the last business day of the recapture period.

(xii) The term "securities" in relation to the Common Stock Trusts means common stock as defined and referred to in subparagraph (6) (i) of this paragraph. The term "securities" in relation to the non-trust portions of the statutory reserve funds means those securities as defined and referred to in paragraph (c) of this section.

(2) *Application of the Operator.* (1) An Operator may make written application, in quadruplicate, to the Administrator for approval of (a) the establishment of a Common Stock Trust or Trusts; (b) the Trustee or Trustees with whom it proposes to establish and maintain a Capital Reserve Fund-Common Stock Trust and/or a Special Reserve Fund-Common Stock Trust. Separate trusts shall be established for the receipt of Capital Reserve Fund or Special Reserve Fund monies, although such trusts may have a common trustee.

(ii) The application shall include:

(a) A statement, as of the date of the application, of cash and the market value of securities, if any, on deposit in the Capital Reserve Fund or the Special Reserve Fund. Said statement shall be amended at a later date with respect to any security for which the market value is unavailable at the date of application, and at such times as the Administrator directs;

(b) A statement, as of the close of the calendar year preceding the date of the application, of accrued mandatory deposits into the Capital Reserve Fund and the Special Reserve Fund; and showing subsequent deposits made to the date of the application on account of such accrued deposits;

(c) A statement of the obligations payable from the Capital Reserve Fund and the Special Reserve Fund, including, but not limited to the financial requirements for vessel replacements pursuant to the applicable terms of the

applicant's operating-differential subsidy agreement;

(d) Information necessary for the determination of the eligibility of the proposed trustee, including a certificate of the Secretary or another appropriate officer of the trustee certifying as to the corporate status of the proposed trustee and the jurisdiction under whose laws the proposed trustee is organized and the latest available report of its financial condition; and

(e) The proposed trust agreement (copies obtainable from the Maritime Comptroller), in the form promulgated by the Maritime Administrator, completed to indicate the dollar amount proposed to be transferred from the Capital Reserve Fund or the Special Reserve Fund to create the respective Common Stock Trust, including Exhibit B thereto, indicating the rate of fees and the terms of compensation to be paid the proposed trustee.

(3) *Proportion of Capital Reserve Fund and Special Reserve Fund that may be transferred to Common Stock Trusts*—(i) *Initial Transfers*. Upon approval by the Administrator of the application pursuant to subparagraph (2) (i) of this paragraph, an amount not to exceed 50 percent of the cash and securities on deposit in the Capital Reserve Fund and 50 percent of the cash and securities on deposit in the Special Reserve Fund may be transferred to create separate Common Stock Trusts. If less than 50 percent of either the Capital or the Special Reserve Fund is so transferred, additional amounts may be transferred from such Fund to the respective Common Stock Trust, upon prior written or telegraphic approval of the Administrator: *Provided*, That, immediately after any such transfer, the respective Common Stock Trust shall not exceed 50 percent of the amounts on deposit in the Reserve Fund of which it is a part. For purposes of determining such percentage the market value of each fund as of the date of transfer shall be used.

(ii) *Subsequent transfers from deposits in the Capital and Special Reserve Funds*. If immediately before a deposit is made in the Capital or Special Reserve Fund, 50 percent or more of the market value of such Fund is in a Common Stock Trust, the Administrator may approve, upon application by the Operator, the transfer to such Common Stock Trust of an amount not exceeding 50 percent of such deposit, after it is deposited in the appropriate Reserve Fund. If immediately before a deposit is made in the Capital or Special Reserve Fund, less than 50 percent of the market value of such Fund is in a Common Stock Trust, the Administrator may approve, upon application by the Operator, the transfer to such Common Stock Trust of an amount up to the total of such deposit: *Provided*, That any such transfer shall not cause the Common Stock Trust to be in excess of 50 percent of the respective Reserve Fund.

(iii) *Payments and withdrawals from Capital and Special Reserve Funds*. When payments are made or funds are withdrawn from the Capital or Special

Reserve Fund, as authorized in this paragraph, (a) if 50 percent or more of the market value of such Capital Reserve Fund or Special Reserve Fund, as of the date of such payment or withdrawal, is in a Common Stock Trust, an amount shall be withdrawn from such Common Stock Trust to the order of a particular Reserve Fund in the proportion that the market value of such Common Stock Trust bears to the total market value of such Reserve Fund; or (b) if less than 50 percent of the total market value of the Capital or Special Reserve Fund, as of the date of such payment or withdrawal is in a Common Stock Trust, the Administrator may, upon application by the Operator, approve the allocation of the payment or withdrawal entirely to the non-trust portion of such Capital Reserve Fund or Special Reserve Fund, or the Administrator may approve the allocation of such payment or withdrawal between the Common Stock Trust and the non-trust portion of such Capital Reserve Fund or Special Reserve Fund in any proportion, so long as the market value of the Common Stock Trust immediately after such withdrawal does not exceed 50 percent of the market value of such Capital or Special Reserve Fund. If the allocation requested in such application is not approved by the Administrator or if the Operator makes no application, then such payment or withdrawal shall be made from the Common Stock Trust in the proportion that the market value of the Trust bears to the market value of the entire Capital or Special Reserve Fund.

(iv) *Applications under subdivisions (ii) and (iii) (b) of this subparagraph*. Applications of the Operator required by subdivisions (ii) and (iii) (b) of this subparagraph shall include a statement reporting the amount to be deposited into or withdrawn from the Capital Reserve Fund and Special Reserve Fund, the cash and securities on deposit in the non-trust portion of the respective funds, the cash and investments in the respective Common Stock Trust and the obligations payable from the Capital and Special Reserve Funds.

(4) *Instruments of transfer and withdrawal; countersignature of*. (i) Checks, drafts or other instruments of transfer drawn on the Capital Reserve Fund or Special Reserve Fund to the order of the Capital Reserve Fund-Common Stock Trust or Special Reserve Fund-Common Stock Trust, after execution by the Operator, shall be forwarded to the Administrator, and such instruments after countersignature on behalf of the Maritime Administration will be forwarded to the Trustee, or returned to the Trustee, or returned to the Operator, as the Operator requests.

(ii) As representatives of the Maritime Administration, the incumbents of the positions as Comptroller, Deputy Comptroller, and Chief, Division of Audits, as duly certified by the Maritime Administration, are jointly and severally authorized to execute and deliver or cause to be delivered, on behalf of the Maritime Administration, checks, drafts or other instruments of withdrawal, drawn against the Capital Reserve Fund

and the Special Reserve Fund: *Provided*, That each such instrument of transfer or withdrawal shall be countersigned on behalf of the Administration by its Secretary or Assistant Secretary.

(iii) Withdrawals from the Capital and/or Special Reserve Fund-Common Stock Trusts shall be in accordance with the provisions of subparagraphs (7) (ii) and (8) (i) of this paragraph.

(5) *Expenses of the Common Stock Trusts*. (i) Brokerage fees and expenses incurred in acquiring or disposing of securities shall be paid from the principal of the respective Trusts and shall be deemed, in the case of acquisitions, to be part of the cost of the acquired security and, in the case of dispositions, to be a reduction of the price received. Before incurring any other fees or expenses, the written or telegraphic consent of the Administrator must be obtained.

(ii) Trustees' fees shall be paid out of the principal of the Trusts.

(6) *Powers and duties common to the Trustees of the respective Trusts*. The Trustees of the Capital Reserve Fund-Common Stock Trust and the Special Reserve Fund-Common Stock Trust shall have the following powers and duties:

(i) To hold the principal for the purpose of investing and reinvesting in common stocks:

(a) Which are issued by corporations organized and existing under the laws of the United States or of the District of Columbia or of any State of the United States; and

(b) Which are currently fully listed and registered upon an exchange registered with the Securities and Exchange Commission as a national securities exchange; and

(c) Which would be acquired by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and the preservation of their capital.

*Provided, however*, That, during the existence of the Trusts the Trustees may hold the principal (and, as to the Capital Reserve Fund-Common Stock Trust only, any accumulated income derived from such principal as well as amounts transferred to said Trust from the Special Reserve Fund-Common Stock Trust) uninvested and in cash in such amounts and for such periods of time as shall be prudent and for the best interests of the respective Trust.

(ii) To retain for such length of time as shall be prudent any common stocks acquired pursuant to the provisions of subdivision (i) of this subparagraph and to invest and reinvest any cash received for investment or from sale of common stock or property (meaning property received in liquidation) received by virtue of common stock holdings, and to dispose of such common stocks and any property whether received in liquidation or as a dividend upon such terms and conditions as shall be prudent and for the best interests of the Trust.

(iii) In its discretion, to exercise any conversion privilege and exercise or sell any subscription right available in connection with any common stock at any time held by it; to consent to the reorganization, consolidation, merger or re-

adjustment of the finances of any corporation, or to the sale, mortgage, pledge or lease of property of any corporation (any of the common stock of which may at any time be held by it) and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions which may be deemed necessary or advisable in connection therewith, and to hold or dispose of any common stock which it may so acquire in connection with the terms and conditions of the trust agreement.

(iv) To vote personally or by general or limited proxy, any shares of stock which may be held by it at any time, to exercise personally or by general or by limited power of attorney any right appurtenant to any common stock held by it at any time, and to enter into any voting trust or other similar agreement.

(v) To register any common stock held by it under the trust agreement in its own name or in the name of a nominee: *Provided*, That, the Trustee maintains on its books a clear record of the fact that each such common stock holding is for the trust.

(vi) To keep an accurate and detailed record of all receipts and disbursements of the trust, separated as to income and principal transactions.

(vii) To render to the Administrator and to the Operator within fifteen days after the close of each month a report in triplicate of activities relative to the Common Stock Trust. The original of the report shall be sent to the Administrator, and the duplicate and triplicate copies to the Operator who shall promptly forward one copy of the report to the District Comptroller, Maritime Administration. The report shall reflect for the period, (a) number of shares of common stock purchased, (b) date acquired, (c) book value, (d) sales, (e) date sold, (f) sales price, (g) stock dividends, (h) cash dividends, (i) stock rights, subscription rights, options and conversion privileges received, exercised or sold, (j) income transferred from the Special Reserve Fund-Common Stock Trust to the Capital Reserve Fund-Common Stock Trust, or to the Capital Reserve Fund as directed, (k) amounts paid from the principal and/or accumulated income of the Capital Reserve Fund-Common Stock Trust, or to the Capital Reserve Fund as directed, (l) amounts paid from the principal of the Special Reserve Fund-Common Stock Trust to the Special Reserve Fund as directed, (m) payments of those fees and expenses specified in subparagraph (5) of this paragraph, (n) the total market value of the Common Stock Trust, and (o) any other known factor affecting the book value of the investments.

(7) *Additional powers and duties of Trustee; Capital Reserve Fund-Common Stock Trust.* The Trustee of the Capital Reserve Fund-Common Stock Trust shall have the following powers and duties in addition to those described in subparagraph (6) of this paragraph:

(i) To hold any accumulated income of the Capital Reserve Fund-Common Stock Trust as well as amount of com-

mon stock transferred to such Trust from the Special Reserve Fund-Common Stock Trust, for the purpose of investing and reinvesting in common stocks as specified in subparagraph (6) (i) of this paragraph.

(ii) Upon reasonable notice in writing signed by the Administrator and the Operator, to pay to the Capital Reserve Fund from the principal and/or accumulated income of the Trust such amount or amounts, in cash, as the Administrator and the Operator direct.

(iii) If, pursuant to the terms of the Common Stock Trust Agreement, the Trust terminates or is revoked by the Administrator, to reduce the principal and accumulated income to cash and to pay such cash to the Capital Reserve Fund in the amount or amounts and within such period of time as the Administrator and the Operator direct. In the event of such termination or revocation, or in the event of the resignation or removal of a Trustee, to supply a statement reporting the information required under subparagraph (6) (vii) of this paragraph with copies distributed as provided therein.

(8) *Additional powers and duties of Trustee; Special Reserve Fund-Common Stock Trust.* The Trustee of the Special Reserve Fund-Common Stock Trust shall have the following powers and duties in addition to those described in subparagraph (6) of this paragraph:

(i) Upon reasonable notice in writing signed by the Administrator and the Operator, to pay to the Special Reserve Fund from the principal of the Trust such amount or amounts, in cash, as the Administrator and the Operator direct.

(ii) To pay the entire income of the Trust (which income shall not be invested or reinvested by the Trustee of the Special Reserve Fund-Common Stock Trust) from time to time, but at least monthly, to the Capital Reserve Fund-Common Stock Trust, or if there be no such Trust at the time then to pay to the Capital Reserve Fund such amount or amounts as the Administrator and the Operator direct.

(iii) After the Administrator advises the Trustee that a statutory and/or contractual recapture period under the Operator's Operating-Differential Subsidy Agreement has terminated, to transfer from the Trust, to the extent such amount is in the Trust, an amount determined by the Administrator to be equal to the sum of the value of (a) the net capital gains made (whether realized or not), (b) the stock dividends declared and (c) the rights to purchase stock issued to the Trust; all made, declared and/or issued during such recapture period:

(1) In cash or in stock to the Capital Reserve Fund-Common Stock Trust; or

(2) In cash, if there be no Capital Reserve Fund-Common Stock Trust, to the Capital Reserve Fund in the amount or amounts as the Administrator and the Operator direct.

(iv) If, pursuant to the terms of the Common Stock Trust Agreement, the Trust terminates or is revoked by the Administrator, to reduce the principal to cash and to pay such cash to the

Special Reserve Fund in the amount or amounts and within such period of time as the Administrator and the Operator direct. In the event of such termination or revocation, or in the event of the resignation or removal of a Trustee, to supply a statement reporting the information required under subparagraph (6) (vii) of this paragraph with copies distributed as provided therein.

(v) To render, at such time as the Administrator advises the Trustee that a statutory and/or contractual recapture period under the Operator's Operating-Differential Subsidy Agreement has terminated, a statement of the Special Reserve Fund-Common Stock Trust showing the sum of the value of (a) the net capital gains made (whether realized or not), (b) the stock dividends declared, and (c) the rights to purchase stock issued to the Trust, and showing any other known factor affecting the book value of the investments.

(9) *Identification of approved depositories and Trustees.* Upon the creation of a Common Stock Trust, the Administrator shall advise the Trustee in writing of (i) the approved depositories in which are maintained Capital Reserve Fund Joint Account or Accounts and the Special Reserve Fund Joint Account or Accounts in the name of the Maritime Administration and the Operator, and (ii) in the event there is in existence a Common Stock Trust, the identity of the Trustee of such existing Common Stock Trust. The Administrator shall advise the Trustee in writing of any changes in the foregoing.

(10) *Modification or alteration of Trust Agreement.* The Administrator and the Operator may by mutual agreement modify or alter the Trust Agreement as to all or any part of the Trust Agreement without the consent of the Trustee upon ten days (excluding Saturdays, Sundays and national holidays) notice in writing to the Trustee; except as to the Trustee's compensation, which shall only be changed by mutual consent of all parties to the Trust Agreement.

(11) *Examination of Trustee's records.* The Administrator and the Operator shall have access to and the right to examine and make photostatic or other copies of any books, documents, papers and/or records of the Trustee involving transactions related to the Trust.

(12) *Resignation or removal of the Trustee.* Any Trustee may resign at any time by giving sixty days (excluding Saturdays, Sundays, and national holidays) notice in writing to the Administrator and the Operator. The Administrator and the Operator acting jointly may remove any Trustee at any time after giving thirty days (excluding Saturdays, Sundays and national holidays) notice in writing. In the case of the resignation or removal of any Trustee the Operator shall with the prior written approval of the Administrator appoint a successor Trustee and the predecessor Trustee shall at the direction of the Administrator forthwith transfer and deliver the trust fund in its entirety to such successor Trustee.

(13) *Statements required from the Operator.* The Operator shall render semiannually to the Administrator within thirty days after the close of each calendar half year, a report, in duplicate, of the Capital Reserve Fund-Common Stock Trust and/or Special Reserve Fund-Common Stock Trust consisting of a detailed list of assets held in the Trust at the end of the period showing the book value and the current market value of the investments, also a summary reporting the total book value of the trust fund at the beginning and at the end of the period, the capital gains or losses realized during the period, and the Trustee's fees paid out of the principal of the Trust during the period. The original of the report shall be sent to the Administrator, and the duplicate copy to the District Comptroller, Maritime Administration.

(14) *Revocation and termination of the Common Stock Trusts.* Any Common Stock Trust (i) may be revoked by the Administrator at any time after notice to the Operator, and an opportunity to be heard, or by the Operator with the prior written or telegraphic approval of the Administrator; and (ii) shall terminate (a) when no longer permitted by law, and (b) immediately upon written notice from the Administrator to the Trustee that the Operator has ceased to be a subsidized operator.

(15) *Determination of controlling provisions.* If the rules and regulations prescribed in this paragraph should conflict with the provisions of any applicable statute or of a Common Stock Trust Agreement, such provisions shall govern.

#### § 286.3 Capital necessarily employed in the business.

(a) *Fundamental basis.* (1) Capital necessarily employed in the business or capital investment necessarily employed in the operation of the subsidized vessels, services, routes, and lines (such terms hereinafter being referred to as "capital employed") shall be determined upon the basis of the net worth reported by the operator in its balance sheet as at the end of the month preceding the effective date of the agreement (or in the last previous balance sheet deemed by the Maritime Administrator to present fairly the financial position of the operator, but adjusted to take into account subsequent changes in net worth and such other changes as the Maritime Administrator may deem essential to a proper determination of capital employed as at the end of such month), and as at each succeeding December 31 during the effective period of the agreement, adjusted as hereinafter provided. For the purpose of this determination, net worth shall be as stated in the operator's balance sheet, prepared in accordance with the Uniform System of Accounts for Operating-Differential Subsidy Contractors, as adopted by the Maritime Administrator in Part 282 of this chapter. Net worth shall be deemed to include capital stock, capital surplus, and earned surplus: *Provided*, That capital stock subscribed but not issued as at the date of this determination, or any part thereof, shall be deemed to be so

included only from the date on which, and to the extent that, payments are made on account of such subscriptions. The net worth of the operator shall be adjusted to recognize the excess or deficiency of the underlying book value of wholly-owned subsidiary companies as compared with the investment of the operator therein, provided such companies with the prior written approval of the Maritime Administrator, perform services or supply facilities coming within the purview of section 803 of the Merchant Marine Act, 1936, as amended, or the Subsidy Agreement of the operator. Net worth, as thus stated, shall be further adjusted in such manner as the Maritime Administrator may determine to be fair and reasonable, including the elimination of appreciation, adequate statement of the liabilities, and such other adjustments as are consistent with sound accounting principles. In the computation of net worth, goodwill and other intangibles not actually acquired for cash or for a consideration determined by the Maritime Administrator to be the equivalent thereof and stock held in treasury shall be excluded, and in instances where, in the judgment of the Maritime Administrator, goodwill and other intangibles were acquired imprudently or at an excessive price, the amount thereof shall be excluded also, or reduced, as the Maritime Administrator may determine.

(2) In determining capital employed, based on the net worth of the operator, certain limitations shall be applied as follows:

##### LIMITATION (1)

###### CAPITAL RESERVE FUND

###### *Interest Accruals for Deposit in Statutory [Capital] Reserve Funds*

The excess, if any, of the sum of the balances in the Capital Reserve Fund and Interest Accruals for Deposit in Statutory [Capital] Reserve Funds accounts (as said accounts are hereinafter defined and after interim adjustments thereof are made as provided under paragraph (d) of this section) over the sum of (i) and (ii) as set forth below shall be deemed to be Capital Held in Reserve, and shall not be taken into account in determining capital employed:

(i) The total depreciation, computed in accordance with Part 284 of this chapter, deposited or accrued for deposit in the Capital Reserve Fund on the vessels assigned under the Operating-Differential Subsidy Agreement at the beginning of the year or other accounting period with respect to which the determination is made.

(ii) The amount (exclusive of approved transfers not actually effected) in the Capital Reserve Fund determined by the Maritime Administrator as being committed by the operator to complete the equity payments (that is, the cost of vessel designs and plans, other capitalizable items, and the sum of progress payments to be made by the operator during the period of construction or reconstruction) (after deduction of any trade-in allowance otherwise allowed for capital employed) of the operator's cost of a vessel, or vessels, covered by a construction, reconstruction, or Construction-Differential Subsidy Agreement, which vessel(s) is (are) to be assigned under an Operating-Differential Subsidy Agreement.

For the purpose of applying this limitation, the aggregate of the balances in the Capital Reserve Fund and Interest Accruals for Deposit in Statutory [Capital] Reserve

Funds accounts, as of the date of the balance sheet on which the determination of capital employed is based, shall include only the following:

The sum of—

(a) The actual amount on deposit (including securities valued as provided under applicable regulations) in the Capital Reserve Fund of the operator;

(b) The balance of account entitled Interest Accruals for Deposit in Statutory [Capital] Reserve Funds;

(c) All other accrued deposits (except voluntary deposits) into the Capital Reserve Fund as follows:

(1) Accrued depreciation on vessels required to be deposited,

(2) Proceeds from sale or loss of vessels and other amounts which, upon collection, are required to be deposited.

(d) Approved transfers from the Special Reserve Fund;

(e) Less—amounts reflected in the balance sheet (other than Mortgage Notes—Vessels) which are payable from the Capital Reserve Fund and which are excluded from Working Capital for the purpose of determining capital employed.

##### LIMITATION (2)

###### SPECIAL RESERVE FUND

###### *Deferred Operating-Differential Subsidy Receivable Less: Recapturable Profits—Maritime Administration*

The excess, if any, of the sum of the balances in the Special Reserve Fund and Deferred Operating-Differential Subsidy Receivable account, less the balance in the Recapturable Profits—Maritime Administration account (as hereinafter defined and after interim adjustments provided under paragraph (d) of this section) over five (5) percent of capital employed, computed without regard to the Special Reserve Fund and related accounts as determined in accordance with this Limitation as at the last day of the recapture period immediately preceding the recapture period current on the effective date of this part and as at the last day of each consecutively succeeding recapture period shall be deemed to be Capital Held in Reserve, and shall not be taken into account in determining capital employed; except that during the initial recapture period of the first of one or more Operating-Differential Subsidy Agreements, if consecutive and without interval, the sum of the balances in the Special Reserve Fund account and Deferred Operating-Differential Subsidy Receivable account, less the balance in Recapturable Profits—Maritime Administration account, shall be deemed to be Capital Held in Reserve and shall not be taken into account in determining capital employed.

For the purpose of applying this Limitation, the balance in the Special Reserve Fund and related accounts listed below, including accruals, as of the balance sheet date on which the determination of capital employed is based, shall include only the following:

(a) Actual amount on deposit (including securities valued as provided under applicable regulations) in the Special Reserve Fund of the operator;

(b) All accrued mandatory deposits into the Special Reserve Fund;

(c) Less—Approved transfers to the Capital Reserve Fund;

(d) Deferred Operating-Differential Subsidy Receivable;

(e) Less—Recapturable Profits—Maritime Administration.

##### LIMITATION (3)

###### ADJUSTED WORKING CAPITAL

The excess, if any, of the balance of Adjusted Working Capital of the operator and its wholly-owned subsidiary companies as of the balance sheet date, after interim adjust-

ments thereof, as provided in paragraph (d) of this section, and allocated to subsidized operations as provided in paragraph (e) of this section, over Limitation of Adjusted Working Capital in subsidized operations, as defined in Limitation (4), shall be deemed to be Capital Held in Reserve in the business and shall not be taken into account in determining capital employed.

For the purpose of applying this Limitation, Adjusted Working Capital shall include only the following accounts defined in Part 282 of this chapter:

<i>Accounts</i>	
100-199 (369)	Current assets (less reserves and provision for accrued deposits in statutory reserve funds other than voluntary deposits, which shall not be accrued for deposits).
200	Unterminated voyage expense.
375-389	Deferred charges (to operations) and prepaid expenses.
<i>Less:</i>	
400-534	Current liabilities (excluding mortgage notes—vessels, and other liabilities payable from statutory reserve funds).
495	Advance ticket sales and deposits.
500	Unterminated voyage revenue.

The provision for accrued deposits into the statutory reserve funds referred to in Accounts 100-199 hereinabove shall include, but is not limited to, the following:

- (i) Accrued depreciation on vessels required to be deposited into the Capital Reserve Fund;
- (ii) Proceeds from sale or loss of vessels and other amounts which, upon collection, are required to be deposited into the Capital Reserve Fund;
- (iii) All accrued mandatory deposits into the Special Reserve Fund.

#### LIMITATION (4)

##### LIMITATION OF ADJUSTED WORKING CAPITAL

Adjusted Working Capital as determined under Limitation (3) shall be allowed as capital employed to the extent of the Total Average Voyage Expenses employed in subsidized operations determined as follows:

Average Voyage Expenses shall be determined on the basis of the actual expenses of operating and maintaining the subsidized vessels (excluding lay-up expenses) for a period represented by the average length of time of all round voyages (excluding lay-up periods) calculated separately for each subsidized service (line). For the purposes of this Limitation, the term "line" shall be deemed to mean those described in Part I of the Operating-Differential Subsidy Agreement, or in instances where the routes or services described therein are not designated as lines, then the trade routes referred to in Part I of the Subsidy Agreement shall for such purposes be deemed to be lines: *Provided*, That in any event passenger services shall be deemed to be lines separate and distinct from freight services: *And provided further*, That, in instances where unsubsidized vessels are operated in subsidized services and are subject to the reserve and recapture provisions of the agreement, they shall not be considered as a separate category but shall be included with the subsidized vessels for the line involved.

This determination shall be made in the following manner:

First: By dividing the sum of such expenses for the accounting period involved applicable to the subsidized vessels in each such service (line) by the aggregate number of days (excluding lay-up days) consumed in all voyages of such vessels in each such service (line) terminating during such period;

Second: By multiplying the quotient thus obtained by the number of days (excluding

lay-up days) in the average voyage in each such service (line); and

Third: By multiplying the resulting product by the quotient of the total number of days (excluding lay-up days) consumed in voyages of subsidized vessels in each such service (line) terminating during the accounting period divided by the number of calendar days within the accounting period.

The expense of operating and maintaining the subsidized vessels shall include overhead (Accounts 900-955 less Accounts 670 and 895) allocated to subsidized operations under § 286.4 and total Operating Expense—Terminated Voyages (Accounts 701-799 in Part 282 of this chapter). For the purpose of this Limitation, if, in any instance, the average subsidized voyage in any subsidized service (line), as determined above, is of less than ninety (90) days' duration, the expense of hull and machinery insurance (Account 755) and P & I insurance (Account 757) shall be determined to be that for a period of ninety (90) days: *Provided*, That such allowance for insurance expense shall not, in the aggregate, exceed the total actual insurance expense for the accounting period. Expenses used for this purpose shall be those included in the annual reports (Maritime Form MA 172) for each calendar year, and shall not be adjusted thereafter.

#### LIMITATION (5)

##### ACCOUNTS REPRESENTING THE REMAINDER OF ADJUSTED NET WORTH

Those accounts representing the remainder of adjusted net worth of the operator, and which have not been provided for in the calculation of capital employed under Limitations (1) through (4) of this section and paragraph (c) of this section, shall be included in capital employed to the extent to which they are allocable to subsidized operations as provided under paragraph (e) of this section, subject to final acceptance or rejection by the Maritime Administrator.

(b) *Valuation of capital assets.* Subsidized and unsubsidized vessels when included in capital employed shall be valued in accordance with Part 284 of this chapter, and other capital assets shall be valued at cost, including betterments and reconditioning costs, to the operator or to any former owner who at any time previous to the acquisition of such assets by the operator was a subsidiary, holding, affiliate, or associate company of the operator (referred to as a "related company"), whichever is the lower, less depreciation: *Provided*, That the cost of acquisition of any assets acquired in exchange for capital shares or other securities of the operator from other than a related company shall not be in excess of the fair value of such property at the date of acquisition. Except as provided for decreases in indebtedness in paragraph (d) (3) of this section and costs of reconstructing and reconditioning in paragraph (d) (6) of this section, no adjustment shall be made in the computation of capital employed for the increase in equity in vessels represented by betterments or liquidation of mortgage indebtedness applicable thereto, or for the decrease in such equity represented by the accrual of depreciation, for the year or other accounting period during which such betterments are made, indebtedness is liquidated, or depreciation accrues.

(c) *Allocation of vessel equity.* (1) The equity of the operator in vessels

(meaning the depreciated value thereof as determined in accordance with Part 284 of this chapter, less the outstanding balance of any mortgage obligations covering such vessels, including such proportion of any blanket mortgage obligations as the Maritime Administrator may determine to be applicable thereto) shall be included in capital employed only during the period of operation or maintenance thereof under the agreement.

(2) In the event that any of the subsidized vessels is withdrawn from operation in the subsidized service for part of any fiscal period, a corresponding reduction shall be made in the calculation of capital employed on the basis of the relation that the number of days during which such vessel is so withdrawn bears to the total number of days in the year or other accounting period involved. In instances where an unsubsidized vessel owned by the operator is operated in its subsidized service, unless otherwise stipulated by the Maritime Administrator in connection with his written approval of the operations of such vessel in the subsidized service, the equity of the operator in such vessel (meaning the depreciated value thereof as determined in accordance with Part 284 of this chapter, less the outstanding balance of any mortgage obligations covering such vessel, including such proportion of any blanket mortgage obligations as the Maritime Administrator may determine to be applicable thereto) shall be included ratably in the calculation of capital employed on the basis of the relation that the number of days during which such vessel is so operated bears to the total number of days in the year or other accounting period involved. To the extent applicable to vessel equities, Part 281 of this chapter shall be controlling.

(d) *Interim additions and deductions (required by this paragraph) shall be applicable only to individual transactions, any component of which before pro-rata, is \$200,000 or more.* (1) Additions to capital, such as cash realized from the sale of stock, paid in surplus, etc., and withdrawals of capital, if and to the extent that such additions and withdrawals involve assets taken into account in the determinations of capital employed pursuant to the other provisions of this section, shall, subject to the limitations set forth in paragraph (a) of this section, be included or deducted, as the case may be, in the computation of capital employed, pro rata, on the basis of the proportion of such additions or withdrawals represented by the relation that the number of days from the date thereof to the end of the year or other accounting period involved bears to the total number of days within such period, this proportion to be allocated to or between capital employed in subsidized and in unsubsidized operations in the manner hereinafter prescribed.

(2) No interim adjustments shall be made for capital gains and capital losses (except those resulting from the acquisition, loss, sale, or other disposition of

vessels) and earnings (or losses) during any accounting period, but they shall be included in the computation of capital employed only from the end of the year or other accounting period in which realized (or sustained). Dividends paid out of earnings that have not been included in capital employed shall not be deducted from capital employed. Dividends shall be deemed to have been paid from surplus at the beginning of the year or other accounting period involved, unless the Board of Directors shall declare the dividends to be payable out of the current year's earnings.

(3) If, during the accounting period, the operator increases his indebtedness and the consideration received therefor is not allowable under this section as an element of capital employed, there shall be an interim adjustment on account of the net decrease, if any, in capital employed resulting from such increase in indebtedness to be applied against the appropriate asset(s) if the indebtedness is secured by such asset(s) or against Limitation of Adjusted Working Capital if not secured. If, during the accounting period, the operator decreases his indebtedness and the funds used therefor have not been allowed under this section as an element of capital employed, there shall be an interim adjustment on account of the net increase, if any, in capital employed resulting from such decrease in indebtedness to be applied against the appropriate asset(s) if the indebtedness is secured by such asset(s), or against Adjusted Working Capital if not secured. Indebtedness, for the purpose of this section, means any indebtedness secured by any asset(s) or any unsecured indebtedness other than routine trade indebtedness incurred in the ordinary conduct of business.

(4) The equity of the operator, determined in the manner prescribed in Part 284 of this chapter, in vessels acquired and in vessels sold, lost through marine disaster, or otherwise disposed of, during the year or other accounting period involved shall be included in the computation of capital employed, pro rata, on the basis of the proportion of such equity represented by the relation that the number of days of operation in the subsidized service under the agreement bears to the total number of days in such period. Simultaneously, the consideration paid or received for such vessels (including receivables for gross trade-in allowances, and for claims from insurance underwriters on account of loss thereof, but subject to adjustment to an amount not in excess of final net settlements) shall be treated, for the purpose of determining capital employed, in the same manner as is hereinbefore prescribed with respect to additions to, and withdrawals of, capital. In those instances in which a vessel is acquired for operation in the subsidized services and there is an interim period of reconstruction, shifting, waiting for schedule, or other reasonable interim period prior to and related to the entrance of the vessel in subsidized service between the date of acquisition and the date of commencement of operation or maintenance of the vessel under the

agreement, the equity in such a vessel will be included in capital employed from date of acquisition, and cost of reconstruction and other capitalized costs shall be included from date of completion.

(5) That portion, if any, of the balance on deposit, or accrued for deposit, in the statutory Capital or Special Reserve Fund, which has been deemed to be Capital Held in Reserve pursuant to the provisions of Limitations (1) and (2) of paragraph (a) (2) of this section and which is subsequently determined by the Maritime Administrator as being committed by the operator to complete the equity payments (that is, the cost of vessel designs and plans, other capitalizable items, and the sum of progress payments to be made by the operator during the period of construction or reconstruction) (after deduction of any trade-in allowance otherwise allowed for capital employed) of the operator's cost of a vessel or vessels with respect to which a construction or reconstruction contract requiring operation in the subsidized service is executed by the operator during the year or other accounting period with respect to which determination of capital employed is made, shall be included, pro rata, in the computation of capital employed. This computation shall be on the basis of the proportion of such part represented by the relation that the number of days from the date of the execution of such contract to the end of the year or other accounting period involved bears to the total number of days within such period: *Provided, however,* That insofar as the Special Reserve Fund is concerned, this paragraph shall be applicable only to amounts transferred, with the prior written approval of the Maritime Administrator, to the Capital Reserve Fund for such purposes from the date of such transfer.

(6) The costs of reconstructing or reconditioning a subsidized vessel shall be included in vessel's equity for the purpose of capital employed from the first day of the month following completion of such work. A corresponding reduction, calculated from date of adjustment to the end of the accounting period, shall be made to capital employed allowed elsewhere for the period, to the extent that interim adjustments for reconstruction or reconditioning costs otherwise would result in a duplicate allowance.

(e) *Allocation between subsidized and unsubsidized activities.* In instances where the operator engages in any other activities, in addition to the operation of the subsidized vessels, except extensive non-shipping operations (with respect to which the determination of the net assets allocable thereto shall be accorded special consideration and shall be on such bases as the Maritime Administrator may determine to be fair and reasonable), the allocation of capital employed (other than the equity in vessels which is hereinbefore disposed of in paragraph (c) of this section), subject to such exceptions as the Maritime Administrator shall determine to be essential to the production of a fair and reasonable result, generally shall be made as follows:

(1) Assets (and liabilities) employed exclusively in the operation of the subsidized vessels and services incident thereto, such as deposits in the statutory Capital and Special Reserve Funds, net vessel trade-in allowance granted for construction of new subsidized vessel(s), collateral posted with the Maritime Administration in lieu of the performance bond required under the agreement, and progress payments on vessels under construction to replace the subsidized vessels or augment the subsidized service, shall be allocated entirely to subsidized operations in the computation of capital employed. Assets (and liabilities) allocated to subsidized operations as in this subparagraph provided shall be subject to the limitation relative to such assets (and liabilities) as provided in paragraph (a) of this section.

(2) Assets (and liabilities) not employed in the operation of the subsidized vessels and services incident thereto, as determined by the Maritime Administrator, including investments in, advances and loans to, and moneys on deposit with related companies, together with debt applicable thereto, shall be allocated entirely to unsubsidized operations in the computation of capital employed, except in instances where wholly-owned subsidiary companies perform services or supply facilities coming within the purview of section 803 of the act or the Subsidy Agreement of the operator, in which instances the underlying book value of such wholly-owned subsidiary companies shall be allocated between subsidized and unsubsidized operations on the same relative basis as the income and expense derived therefrom are allocated. The Adjusted Working Capital of the wholly-owned subsidiary companies which is included in the underlying book value of such companies, to the extent allocated to subsidized operations as provided in this paragraph shall be combined with the operator's Adjusted Working Capital (paragraph (a) (2) of this section, Limitation (3)).

(3) The acquisition cost of inventories of spares earmarked for specific vessels and not interchangeable shall be allocated in the same manner as the vessels aboard which they are to be used. The acquisition cost of spares not earmarked for specific vessels but which are interchangeable between other vessels of the fleet of the operator shall be prorated between subsidized and unsubsidized operations on the basis of the relation that the number of subsidized and unsubsidized vessels of the type for which such spares are earmarked separately bears to the total of such type of vessels.

(4) Capital employed shall not include borrowed capital in any form. The indebtedness resulting from any such borrowing which is due and payable after one year shall be applied against the appropriate asset(s) if such indebtedness is secured by such asset(s), or against Adjusted Working Capital if not secured. Indebtedness, for the purposes of this subparagraph, means any indebtedness secured by any asset(s) or any unsecured indebtedness other than routine trade indebtedness incurred in the ordinary conduct of business.

(5) Assets (together with their respective reserves for amortization and depreciation) included in the following accounts:

- Account 337—Other floating equipment.
- Account 343—Terminal property and equipment.
- Account 349—Other shipping property and equipment.

shall be allocated between subsidized and unsubsidized operations on the same relative bases as the income and expense derived therefrom are allocated.

(6) After the allocation of the operator's equity in the vessels, inventories of vessels' spares, and net assets directly and entirely allocable to subsidized or unsubsidized operations (the latter to include net assets allocable to nonshipping operations), the remainder of the adjusted net worth of the operator shall be allocated between subsidized and unsubsidized operations on the basis of the relation that the Vessel Operating and Maintenance Expenses incurred in subsidized and unsubsidized operations, separately (including a ratable proportion of such expenses on voyages in progress either (i) at the commencement and termination of each recapture period or (ii) at the beginning and ending of each annual accounting period, commencing with the accounting period current with the publication of this provision, at the irrevocable election of the operator, to be made known to the Maritime Administrator in writing within 180 days after the issuance of this part and within 180 days after the end of the first year in each recapture period thereafter), bears to the total of such expenses incurred in both subsidized and unsubsidized operations. (The term "Vessel Operating and Maintenance Expenses," as used herein, means those expenses proper for inclusion in Account 700—Operating Expense—Terminated Voyages, excepting Account 760—Charter Hire, in Account 800—Inactive Vessels Expense, excepting Account 826—Charter Hire, as defined in the Uniform System of Accounts for Operating-Differential Subsidy Contractors, as adopted by the Maritime Administrator in Part 282 of this chapter. Vessel Operating and Maintenance Expenses used for this purpose shall be those included in the annual reports (Maritime Form MA 172) for each calendar year, and shall not be adjusted thereafter.) The amount so allocated to subsidized operations shall be deemed to be the proportion of such net assets to be included in capital employed, subject to the limitations prescribed in paragraph (a) (2) of this section.

(7) In instances where two or more Operating-Differential Subsidy Agreements are concurrently in effect between the United States and the operator for all or part of any year or other accounting period, the allocation of capital employed as between operations under each of such agreements shall be made, if necessary, on the same basis as is prescribed in this section for allocation between subsidized and unsubsidized activities.

(8) In no event shall there be a duplication of allowances or exclusions for

any item of capital employed under this section.

#### § 286.4 Net earnings.

(a) *Fundamental Basis.* The net profit of the operator and its wholly-owned subsidiaries on its subsidized vessels and services incident thereto (hereinafter referred to as "net earnings") shall be determined by deducting from "gross income," as hereinafter defined for the purposes of this part only; operating expense-terminated voyages (including bar and slop chest losses and those resulting from advance and prepaid beyond transactions), inactive vessels expense, contributions to pools, expense of terminal operations, expense of cargo handling operations, expense of tug and lighter operations, expense of other shipping operations (less interdepartmental credits for services and facilities), administrative and general expense, management and operating commissions, advertising, amortization—leaseholds, depreciation—shipping property and equipment, interest expense, amortization of deferred charges, doubtful notes and accounts receivable, miscellaneous deductions from income, taxes (including taxes based upon the portion of the earnings of the subsidized vessels and services incident thereto which is not required to be deposited in the statutory reserve funds, but not including taxes on earnings withdrawn from the statutory reserve funds and paid into the general funds of the operator, or distributed as dividends or bonuses, upon termination of the agreement or at the end of any recapture period as provided therein), and other charges which customarily are made in accordance with sound accounting practice in determining net earnings as the Maritime Administrator may determine to be fair and reasonable: *Provided*, That no such deduction shall be made on account of:

(1) Expenditures made or which the Maritime Administrator finds should have been made to place the subsidized vessels in good running order, condition, and repair, sufficiently tackled, appraised, furnished and equipped at the commencement of the first voyage of each such vessel under the agreement: *Provided*, That with respect to newly acquired vessels, which have been constructed, purchased, reconstructed, or reactivated for operation in the subsidized service, (i) the necessary, reasonable and proper expenses (other than capitalized expenditures), all as determined by the Maritime Administrator, applicable to the period between the delivery date of any such vessel to the operator and the commencement of the first voyage under Subsidy Agreement, (ii) depreciation computed in accordance with Part 284 of this chapter, and applicable to any such vessel between the date title passes to the owner and the commencement of the first subsidized voyage, and (iii) the interest on purchase mortgages and progress payments, to the extent not capitalizable as determined by the Maritime Administrator, applicable to any such vessel for the period from date title passes, in case of acquisition, and date work commences, in case of new con-

struction or reconstruction, and the commencement of the first subsidized voyage shall be deducted from subsidized earnings of the recapture period during which accrued or incurred.

(2) Expenses incurred in violation of the act or of the agreement or on account of any obligation resulting from any action taken in violation of the act or of the agreement, or

(3) Expenses found by the Maritime Administrator to have been clearly improvident, unnecessary, or excessive.

Insofar as vessels are concerned, depreciation shall be computed in accordance with Part 284 of this chapter.

(b) *Definition of "gross income."* Gross income shall include operating revenue—terminated voyages (including bar and slop chest profits and those resulting from advance and prepaid beyond transactions), operating-differential subsidy, collections from pools, revenue from terminal operations, revenue from cargo handling operations, revenue from tug and lighter operations, revenue from other shipping operations, agency fees, commissions and brokerage earned, interest income (including, but not limited to, interest earned on cash or securities on deposit in the Capital and Special Reserve Funds), dividend income, and such other items of income as the Maritime Administrator may determine are properly includible.

(c) *Allocation between subsidized and unsubsidized activities.* Where the operator engages in any other activities in addition to the operation of the subsidized vessels, except extensive nonshipping operations (with respect to which the determination of the net earnings allocable thereto shall be accorded special consideration and shall be on such basis as the Maritime Administrator may determine to be fair and reasonable), the allocation of net earnings, subject to such exceptions as the Maritime Administrator shall determine to be essential to the production of a fair and reasonable result, shall be made as follows:

(1) Operating revenue—terminated voyages and operating expense—terminated voyages (as detailed in Part 282 of this chapter, Accounts 600 and 700) shall be allocated directly to the subsidized and unsubsidized operations in which such revenues were earned and expenses were incurred: *Provided*, That, in instances where, pursuant to applicable provisions of the agreement and/or Part 281 of this chapter, the operating results of unsubsidized voyages are to be taken into account in determining net earnings for the purposes of the reserve and recapture provisions of the agreement, such results shall be allocated directly to the subsidized operations.

(2) Collections from pools and contributions to pools shall be allocated directly to the subsidized or unsubsidized operations in which such revenues were earned or expenses were incurred.

(3) Additional charter hire shall be allocated directly to subsidized or unsubsidized operations when practicable. In instances where both subsidized and unsubsidized operations occur under a single bareboat charter contract, addi-

tional charter hire shall be allocated directly to subsidized or unsubsidized operations on the basis of a separate computation of the additional charter hire liability for each operation: *Provided, however*, That in no event shall the additional charter hire so allocated to subsidized operations exceed the total additional charter hire paid or payable for the period involved.

(4) Inactive vessels expense, as approved in accordance with Part 281 of this chapter, necessarily and properly incurred in the maintenance of subsidized vessels shall be allocated directly to subsidized operations, and inactive vessels expense of unsubsidized vessels shall be allocated directly to unsubsidized operations, unless, and except as, otherwise specifically provided by agreement between the Maritime Administrator and the operator.

(5) Operating-differential subsidy accrued in accordance with the provisions of the agreement shall be allocated directly to subsidized operations.

(6) (i) The Uniform System of Accounts for Operating-Differential Subsidy Contractors, as adopted by the Maritime Administrator in Part 282 of this chapter, provides that Account 890—Interdepartmental credits for services and facilities, shall be credited with "agreed amounts" concurrently charged to Account 200—Unterminated voyage expense, or Account 700, Operating expense—terminated voyages, representing services performed and facilities furnished by the carrier for its owned or operated vessels, the expenses for which are included in the following accounts (among others):

Account 855—Expense of terminal operations.

Account 865—Expense of cargo handling operations.

Account 875—Expense of tug and lighter operations.

Account 885—Expense of other shipping operations.

(ii) Where the operator maintains such services or facilities and they are used by the subsidized vessels and if it is impracticable to determine the actual cost of such use, the operator shall charge in the operating expense accounts of such vessels fair and reasonable amounts for the use of such services or facilities (but at not in excess of (a) the "going rates" for the services or facilities at the ports involved, or (b) the rates at which such services or facilities could be obtained from independent suppliers, or (c) the rates charged all other vessels using them), and similar charges shall be made in the accounts of all other vessels operated by the operator.

(iii) Where the sum of the credits derived from the use of such services or facilities by vessels owned, or chartered from others, by the operator exceeds the gross revenues (Accounts 645, 650, 655 and 660) derived from the use of such services or facilities by other vessels,

(a) The expense of maintaining such services or facilities shall be allocated between subsidized and unsubsidized operations on the basis of the relation

that the credits so derived from the vessels engaged in each such operation bears to the total of the credits derived from the furnishing of such services or facilities, except that revenues derived from the furnishing of such services or facilities to vessels neither owned nor chartered from others, by the operator shall not be included in the above calculation, but shall be prorated between subsidized and unsubsidized operations in the same manner as is the expense of maintaining such services or facilities as thus determined and

(b) The amounts credited to Account 890 shall be allocated directly to subsidized and unsubsidized operations on the same basis as are the corresponding charges to the vessel operating expense accounts.

(iv) Conversely, where the sum of the credits derived from the use of such services or facilities by vessels owned, or chartered from others, by the operator is less than the gross revenues (Accounts 645, 650, 655 and 660) derived from the use of such services or facilities by other vessels,

(a) The amounts credited to Account 890 corresponding to charges in the operating expense accounts of the subsidized vessels shall be allocated directly to the operation of such subsidized vessels and the amounts credited (1) to that account corresponding to charges in the accounts of unsubsidized vessels owned, or chartered from others, by the operator, and (2) to the revenue accounts corresponding to charges against others for the use of such services or facilities, shall be allocated to unsubsidized operations, and

(b) The expense of maintaining such services or facilities shall be allocated between subsidized and unsubsidized operations on the basis of the relation that the revenues or credits so derived from the vessels engaged in each such operation bears to the total of the revenues and credits derived from the furnishing of such services or facilities.

(7) Depreciation expense shall be allocated between subsidized and unsubsidized operations on the same relative bases as the equities of the operator in the properties involved are allocated in the determination of "capital employed," excepting that depreciation on office furniture, fixtures and equipment shall be allocated between subsidized and unsubsidized operations on the same relative basis as are Administrative and General Expenses, pursuant to subparagraph (9) of this paragraph: *Provided*, That a common basis shall be used for valuation of the property (Part 284 of this chapter, insofar as vessels are concerned).

(8) Interest income and dividend income shall be allocated between subsidized and unsubsidized operations (which latter for these purposes shall be deemed to include Capital Held in Reserve) on the same basis as the value of the investments and securities from which such income is derived is allocated in the determination of capital employed. With respect to investments in wholly-owned subsidiaries performing services or supplying facilities coming within the purview of section 803 of the

act, dividend income from such subsidiaries shall be eliminated.

(9) (i) Where direct allocations are impracticable and where the amounts of individual items applicable to Accounts 900-944, otherwise directly allocable are less than \$10,000, and except as otherwise provided in this section, income and expense properly recorded in the accounts listed hereunder, in accordance with the Uniform System of Accounts for Operating-Differential Subsidy Contractors, prescribed by the Maritime Administrator in Part 282 of this chapter, shall be allocated between subsidized and unsubsidized operations on the basis of the relation that the Vessel Operating and Maintenance Expenses incurred in subsidized and unsubsidized operations, separately (including a ratable proportion of such expenses on voyages in progress either (a) at the commencement and termination of each recapture period or (b) at the beginning and ending of each annual accounting period, commencing with the accounting period current with the publication of this provision, at the irrevocable election of the operator, to be made known to the Maritime Administrator in writing within 180 days after the issuance of this part and within 180 days after the end of the first year in each recapture period thereafter), bears to the total of such expenses incurred in both subsidized and unsubsidized operations:

Account 670—Agency fees, commissions, and brokerage earned, excepting compensation earned under NSA Order No. 47 (AGE 4) which shall be allocated as provided in section 9(b) thereof.

Account 690—Miscellaneous other income.  
Account 895—Credits from branch house operations.

Account 900—Administrative and general expense (but no compensation for personal services in excess of \$25,000 per annum paid to a director, officer, or employee by the operator, its affiliates, subsidiary, or associates, shall be taken into account).

Account 945—Management and operating commissions.

Account 955—Taxes—miscellaneous.

Account 970—Amortization of deferred charges, excepting Account 973—Amortization; organization and preoperating expense with respect to the allocation of which a separate determination will be made by the Maritime Administrator in each instance.

Account 975—Doubtful notes and accounts receivable.

Account 979—Miscellaneous deductions from income.

(ii) The term "Vessel Operating and Maintenance Expenses," as used herein, means those expenses proper for inclusion in Account 700—Operating expense—terminated voyages, excepting Account 760—Charter hire, and in Account 800—Inactive vessels expense, excepting Account 826—Charter hire, as defined in the Uniform System of Accounts for Operating-Differential Subsidy Contractors, as adopted by the Maritime Administrator in Part 282 of this chapter. The ratable proportion of such expenses on voyages in progress, previously referred to in this subparagraph, means that proportion of such expenses on each such voyage represented by the relation that the number

of days of each falling within the accounting period involved bears to the total days in each such voyage. The expenses on which such calculation shall be based shall be those charged to income of the year involved with respect to voyages in progress at the commencement of such year and those charged to income of the succeeding year with respect to voyages in progress at the end of the year involved. Vessel Operating and Maintenance Expenses used for this purpose shall be those included in the annual report for each calendar year (Maritime Form MA 172), and shall not be adjusted thereafter.

(10) Advertising expense shall be allocated between subsidized and unsubsidized operations on the following bases:

(i) Expenses of advertising freight services shall be allocated on the basis of the relation that freight revenues (Accounts 601 and 605) earned in the operation of subsidized vessels and in other operations of the operator, separately, bears to the total of such revenue derived from all operations of the operator.

(ii) Expenses of advertising passenger services and advertising expenses which are not susceptible to direct allocation as between those attributable to freight services and those attributable to passenger services shall be allocated among the various operations on the basis of the relation that the passenger revenues (Accounts 608 and 612) earned in each operation bears to the total of such revenues derived from all operations of the operator. (Passenger services as used in this part refer to vessels and accommodations for carrying in excess of twelve passengers.)

(11) Interest expense shall be allocated between subsidized and unsubsidized operations on the same relative basis as the liabilities with respect to which such expense is incurred are allocated in the determination of capital employed.

(12) Federal taxes on income (subject to adjustment as finally determined by the Internal Revenue Service) shall be allocated between subsidized and unsubsidized operations on the basis of the net taxable income for each separate category with appropriate adjustments for foreign tax credits, capital gains or losses, dividends received deductions, net operating loss deductions, and other comparable items, subject, however, to the limitation prescribed in § 286.5(b) (4). Where the operator's income is included in a consolidated return, the total Federal income taxes (before foreign tax credits and excluding taxes on capital gains, both of which shall be directly allocated) shall be distributed in proportion to the net taxable income, excluding capital gains or losses, to those companies which reported net taxable income for inclusion in the consolidated return for the purpose of determining the portion of the total Federal income tax which shall be allocated to the operator.

(13) Where two or more agreements are concurrently in effect between the United States and the operator for all or part of any year or other accounting

period, the allocation of net earnings as between operations under each of such agreements, if required, shall be made on the same basis as is prescribed herein for allocation between subsidized and unsubsidized activities.

(d) *Management or operating agency arrangements.* Where operators act as managing or operating agents for other persons or concerns, or vice versa, the amount of the management and operating commissions to be collected or paid, as the case may be, for such services, or the division of Overhead Expenses between the operator and such other person or concern, shall be on such basis as the Maritime Administrator shall specify in approval of the arrangement.

(e) *Capital gains and capital losses.* Net earnings for the purposes of computations hereunder shall be adjusted so as to exclude capital gains and capital losses.

(f) *Income and expenses resulting from excluded assets.* Except where otherwise agreed between the Maritime Administrator and the operator, income from, and expenses attributable to, assets excluded in the computation of capital employed likewise shall be excluded in the computation of net earnings: *Provided,* That the provisions of this paragraph shall not be applicable to chartered vessels, the profit (or loss) from the operations of which shall be allocated as the Maritime Administrator requires.

To the extent that Capital Reserve Fund and Special Reserve Fund (as computed under § 286.3(a)(2) Limitations (1) and (2)) are excluded in the computation of capital employed income resulting from investments of such funds shall be proportionately excluded from earnings from subsidized operations. To the extent, if any, that Adjusted Working Capital employed in subsidized operations (as computed under § 286.3(a)(2), Limitation (3)) exceeds the Total Average Voyage Expenses of subsidized operations (as computed under § 286.3(a)(2), Limitation (4)) and, therefore is not includable in capital employed, the excess should be regarded as being composed proportionately of the various assets and liabilities comprising Working Capital in the relation, percentage-wise, that such excess bears to the net total of such assets and liabilities. Where items of income and expense are required hereunder to be allocated on the same basis as are the corresponding assets and liabilities involved, the proportion of such income and expense corresponding, percentage-wise, to the proportion of the assets and liabilities included in the excess of the Adjusted Working Capital over the Total Average Voyage Expenses should be allocated to unsubsidized operations.

(g) *Profits from services or facilities furnished by "related companies."* (1) In determining net earnings, any and all profits resulting from performing services or supplying facilities to the subsidized vessels of the operator, by persons subject to the provisions of section 803 of the act, which are required to be accounted for and paid over to the operator under said section, shall be taken into account.

(2) In instances where a wholly-owned subsidiary performs services or supplies facilities to subsidized vessels not coming under the provisions of section 803 of the act, but authorized under the Subsidy Agreement of the operator, and where the underlying book value of such subsidiary has been taken into capital employed pursuant to the provisions of § 286.3, for the purpose of determining net earnings any and all profits or losses resulting from such subsidized operations also shall be taken into account, subject to the limitation contained in the Operating-Differential Subsidy Agreement.

(3) Settlement required under section 803 of the act or the agreement shall be accomplished by combining such earnings or losses with those of the parent company, provided that the Maritime Administrator reserves the right to require settlement in cash when, in his judgment, such settlement is justified.

(4) Where related companies of an operator perform services or supply facilities to the subsidized vessels of the operator which are subject to the provisions of section 803 of the act or the Subsidy Agreement of the operator, and further, where such related companies charge the subsidized vessels for such services or facilities on the basis of rates not in excess of the rates charged all other vessels using them, the corresponding expense of maintaining such facilities shall be determined, where necessary, and allocated between subsidized and unsubsidized operations on the following bases:

(i) With respect to related companies (other than wholly-owned subsidiaries), the expense of maintaining such facilities shall be allocated between subsidized and unsubsidized operations on the basis of the relation that the income so derived from the vessels engaged in each such operation bears to the total income derived from the furnishing of such facilities.

(ii) With respect to wholly-owned subsidiaries, income and expenses shall be allocated in the same manner as are the revenues, interdepartmental credits and expenses with respect to services and facilities when furnished by the operator as prescribed in paragraph (c)(6) of this section.

#### § 286.5 Preliminary compliance with reserve and recapture requirements.

(a) Tentative deposits in statutory reserve funds and recording of excess profits: Not later than six months, or within such additional time as the Maritime Administrator may grant, after the end of each accounting year the operator shall deposit in the Capital Reserve Fund and in the Special Reserve Fund the amounts required to be deposited therein with respect to such accounting year, pursuant to the provisions of the Operating-Differential Subsidy Agreement, based on the requirements of section 607 of the act: *Provided, however,* That, in the event of any dividend being paid out of earnings of the current year, all deposits of accrued depreciation and excess profits to the end of the month preceding the date of the declaration of the dividend, and if paid out of earnings of prior

years such deposits accrued through the period of such earnings shall be made into the Capital Reserve Fund and Special Reserve Fund, either concurrently with the payment of such dividend or prior thereto. The amounts of such deposits shall be calculated in accordance with the rules and regulations for determining capital employed, as prescribed in § 286.3 and net earnings as prescribed in § 286.4. Where audited financial and operating statements are unavailable, tentative calculations should be prepared for this purpose. If the operator establishes, to the satisfaction of the Maritime Administrator, that its available Working Capital would be seriously impaired or depleted by making any such deposit, the Maritime Administrator in his discretion may postpone, under such conditions as he may prescribe, the making of part or all of such deposit, provided that the amount so postponed shall not exceed the amount of the unpaid operating-differential subsidy for the period to which the deposit applies.

(b) The provision for Federal income tax deducted in the determination of net earnings from subsidized operations shall not exceed the total of such tax reported in the income tax return or assessed upon the total taxable income of the operator for the year or other accounting period involved and shall be subject to adjustment upon final determination, by the Internal Revenue Service, of the amount of such tax assessable upon the net earnings of the operator for the year or other accounting period involved: *Provided*, That any tax adjustments resulting from adjustments of taxable income or expense which may be related to a prior year or accounting period, and to the extent allocable to subsidized operations, shall be treated in the same manner as other adjustments of subsidized income or expense as authorized in this chapter.

(c) Preliminary, supplemental and final accountings by operators: (1) Every holder of an Operating-Differential Subsidy Agreement executed with the Federal Maritime Board shall submit a separate Preliminary Accounting of its operations in the form and manner prescribed herein, for each accounting period beginning after December 31, 1957 and ending prior to January 1, 1960 within six months after publication of this part in the FEDERAL REGISTER and for each accounting period thereafter within six months after the termination thereof: *Provided, however*, That the Maritime Administrator may extend, for such further period as in his judgment is warranted by the circumstances in any instance, the time limit prescribed in this section for the submission of such accountings.

(2) Supplemental Accounting(s) separately for each accounting period for which a Preliminary Accounting has been filed (under subparagraph (1) of this paragraph) but for which a Final Accounting has not been filed (under subparagraph (3) of this paragraph) shall be submitted by the operator on or before June 30, 1961 and thereafter on or before June 30 of each succeeding

year, covering each accounting period beginning after December 31, 1957.

(3) A Final Accounting for each accounting period shall be submitted by the operator within six months after the close of the calendar year in which the later of the following occurs: (i) All final subsidy rates for the accounting period concerned have been incorporated in the Subsidy Agreement and (ii) the Maritime Administration has completed its audit of the Preliminary and Supplemental Accountings. All subsequent adjustments (recorded in a complete calendar year) not reflected in a Supplemental Accounting shall be reflected in the Final Accounting. Each of these, i.e., the Preliminary, Supplemental and the Final Accountings, shall be submitted in quadruplicate to the appropriate District Comptroller of the Maritime Administration.

(d) Statements required by the Maritime Administration: The accountings required shall include the following statements: (Illustrative examples of such statements, based on hypothetical figures, will be supplied by the Comptroller.) The operator may change or vary the design of any of these statements: *Provided*, That the statements substituted will produce the same results and include all the information required: *And provided further*, That no substantial change or variation in the design of such statements shall be made without the prior concurrence of the appropriate District Comptroller. These examples have been based on the Uniform System of Accounts prescribed by the Maritime Administrator in Part 282 of this chapter:

*Exhibit A—*I Capital Necessarily Employed, II Recapturable Profits, III Required Deposits of Excess Profits for the Year Ended December 31, ----. This statement, consisting of three parts: (i) summarizes amounts arrived at on Exhibit B to determine Capital Necessarily Employed; (ii) determines allowable return and excess profits and recapture, if any; and (iii) computes the required deposit of excess profits into the operator's Special Reserve Fund. This Exhibit will be required with the Preliminary, Supplemental and Final Accountings.

*Exhibit B—*Trial Balance as of December 31, ---- (at end of preceding accounting period) and Determination of Capital Necessarily Employed for the Calendar Year ----. This statement shall reflect the appropriate allocation of each account composing the post-closing trial balance of the general ledger of the operator to one or more of the following categories: (i) Statutory Reserve Funds and Vessel Equities, (ii) Adjusted Working Capital, (iii) Other Items Allocated to Subsidized Operation, (iv) Capital Held in Reserve, (v) Unsubsidized Operations, and (vi) Subject to Formula. With respect to each item of the trial balance, reference shall be made either to the section of the order governing its allocation or the supporting schedule on which the allocation is made. This statement shall be subtotaled at the end of the trial balance, and, following the subtotal, all appropriate adjustments, Interim Adjustments, and applications of the formula and all limitations shall be reflected and referenced to the appropriate section or schedule, and the statement totaled. These totals, as appropriate, are carried to Exhibit A, and also are carried forward from the preceding accounting (Preliminary or Sup-

plemental) to constitute the beginning figures in the Final Accounting. Adjustments applicable to preceding years shall be included or excluded in accordance with paragraph (e) of this section.

*Exhibit C—*Trial Balance and Allocated Statement of Profit and Loss, Year Ended December 31, ----. This statement shall reflect the appropriate allocation of each income and expense account for the accounting period, between Subsidized and Unsubsidized Operations. This statement shall be subtotaled at the end of the trial balance, and all appropriate adjustments shall follow the subtotals. Each account and adjustment shall be referenced to the section of the part governing its allocation or the supporting schedule on which the allocation is made. The net result of Subsidized Operations is carried forward to Exhibit A and all totals are carried forward from the preceding accounting (Preliminary or Supplemental) to constitute the beginning figures in the Final Accounting.

*Exhibit D—*Analysis of Surplus Accounts, Year Ended December 31, ----. This statement shall reflect all changes in the various surplus accounts for the accounting period and shall be submitted only with the Preliminary Accounting.

*Exhibit E—*Statutory Reserve Fund Requirements and Deposits with Respect Thereto for the Period from Beginning of Subsidized Operations to December 31, ----, under Operating-Differential Subsidy Agreement (as of close of month preceding the filing of this accounting). This statement shall be filed only with the Preliminary Accounting and shall reflect the current status of all deposit requirements, by accounting periods, with respect to each of the statutory reserve funds.

*Schedule B-1—*Capital Reserve Fund and Related Accounts, December 31, ----, Adjusted. This statement shall reflect the balances in the subject accounts as at the beginning of the accounting period, and all appropriate Interim Adjustments, as well as the determination of Limitation (1) as defined in § 286.3(a)(2) of this chapter. Any Capital Held in Reserve as the result of the application of this limitation shall be set forth. This statement shall be filed with the Preliminary Accounting, and shall be filed with the Supplemental or Final Accounting only if adjustments with respect thereto have occurred.

*Schedule B-2—*Special Reserve Fund and Related Accounts, December 31, ----, Adjusted. This statement shall reflect the balances in the subject accounts as at the beginning of the accounting period, and all appropriate Interim Adjustments, as well as the determination of Limitation (2) as defined in § 286.3(a)(2) of this chapter. Any Capital Held in Reserve as the result of the application of this limitation shall be set forth. This statement shall be filed with the Preliminary Accounting, and shall be filed with the Supplemental or Final Accounting only if adjustments with respect thereto have occurred.

*Schedule B-3—*Adjusted Working Capital, December 31, ----. This statement shall reflect the allocation of the adjusted working capital of the operator and of any consolidated wholly-owned subsidiaries, in accordance with the provisions of § 286.3, as well as the determination of Limitation (3) or (4) as defined in § 286.3(a)(2) of this chapter, whichever is applicable. Details of the composition of Adjusted Working Capital need not be shown hereon. Any Capital Held in Reserve as a result of the application of Limitation (4) shall be set forth. This statement shall be filed with the Preliminary Accounting, and shall be filed with the Supplemental or Final Accounting only if adjustments with respect thereto have occurred.

*Schedule B-3(a)*—Determination of Average Voyage expenses, Year Ended December 31, ----. This statement shall set forth the determination of Average Voyage Expenses as defined in § 286.3(a) (2), Limitation (4) of this chapter and need be filed only with the Preliminary Accounting in accordance with that section.

*Schedule B-4*—Vessel Equities—December 31, ----, Adjusted. This statement shall set forth the capitalized cost, accumulated depreciation, and mortgage debt, if any, with respect to each vessel owned by the operator at the beginning of the accounting period, segregated as to those assigned and those not assigned under Operating-Differential Subsidy Agreement at that date, with the net equity allocated appropriately to Subsidized and Unsubsidized Operations. Any adjustments to these figures and Interim Adjustments shall be reflected also. This statement shall be filed with the Preliminary Accounting, and shall be filed with the Supplemental or Final Accounting only if adjustments with respect thereto have occurred.

*Schedule B-5*—Allocation of Other Balance Sheet Accounts, December 31, ----. Any balance sheet accounts, other than those comprehended by the preceding schedules, and for which the bases for the allocation are not adequately explained on Exhibit B, shall be included in this statement. All details necessary to accomplish the appropriate allocation thereof shall be set forth separately and reference shall be made to the section of the order governing their allocation. The details of each account shall be summarized so as to agree with the balance shown on Exhibit B. The complete statement shall be filed with the Preliminary Accounting, and any changes affecting the Supplemental or Final Accounting with respect to these accounts shall be supported by schedules in the Supplemental and Final Accountings; otherwise, the individual account distribution need not be repeated.

*Schedule C-1*—Trial Balance and Allocated Statement of Profit and Loss of Wholly-Owned Subsidiary Companies, Year Ended December 31, ----. This statement shall reflect the appropriate allocation of each income and expense account for the accounting period between Subsidized and Unsubsidized Operations. This statement shall be filed with the Preliminary Accounting and need not be repeated unless there be a change in the allocations in the Supplemental or Final Accounting.

*Schedule C-2*—Allocation of Income and Expense Accounts, Year Ended December 31, ----. Any profit and loss accounts for which the bases for the allocation are not adequately explained on Exhibit C shall be included in this statement. All details necessary to accomplish the appropriate allocation thereof shall be set forth separately, and reference shall be made to the section of the part governing their allocation. The details of each account shall be summarized so as to agree with the balance shown on Exhibit C. The complete statement shall be filed with the Preliminary Accounting, and any changes affecting the Supplemental or Final Accounting with respect to these accounts shall be supported by schedules in the Supplemental and Final Accountings; otherwise, the individual account distribution need not be repeated.

*Schedule C-3*—Summary of Operating-Differential Subsidy, Year Ended December 31, ----. This statement, which shall be filed only with the Final Accounting, shall set forth, by lines, the details in summary form of subsidy accrued at final rates by classes of subsidizable expense, showing the subsidizable expenses, the final rate, and the subsidy accrued, less deductions, if any, summarized to show the total accrued subsidy, which shall agree with the subsidy applied in the final Exhibit C.

(e) Adjustments applicable to preceding years: (1) All Account 090 entries (recorded in a complete calendar year) reflecting adjustments to prior years shall be reflected in Preliminary, Supplemental and Final Accountings as set forth in this section.

(2) Until a Final Accounting with respect to an accounting period has been filed, all 090 entries recorded in subsequent accounting periods shall be carried back for capital necessarily employed purposes through the accountings for intervening years and reflected in the earnings section of the Supplemental or Final Accountings of the year to which they apply. After a Final Accounting for an accounting period has been filed all 090 entries recorded in the year in which such accounting is filed and in subsequent years shall be reflected in the year in which recorded and absorbed in the operations for that year.

(3) In carrying back such 090 entries through the accountings for intervening years appropriate adjustments shall be made in the determination of capital necessarily employed for those intervening years and such adjustments shall be reflected in the Preliminary, Supplemental or Final Accountings, as appropriate, of those years. Such recordings shall have no effect on the earnings sections of those intervening years, however.

(f) All calculations required herein shall be carried to at least five places beyond the decimal point, e.g., 97.53821 percent.

(g) The accountings (Preliminary, Supplemental and Final) required under this part shall be accompanied by an affidavit of the corporate officer responsible for the accuracy and maintenance of the books of account and financial records of the operator to the effect that:

(1) The books and accounts have been maintained in accordance with Part 282 of this chapter;

(2) The exhibits and schedules composing the accounting have been prepared in accordance with this part;

(3) The operator has fully complied with all the terms and conditions of its Operating-Differential Subsidy Agreement, dated -----, with the Federal Maritime Board; and

(4) The accounting, including all exhibits and schedules, reflects true and complete statements in accordance with all applicable orders, rules, regulations, and instructions issued or adopted by the Maritime Administrator appertaining thereto.

(h) Only the Preliminary accountings submitted must be accompanied, in addition to the affidavit required of the operator, by a signed opinion of an independent certified public accountant to the effect that:

(1) The exhibits and schedules composing the annual accounting have been either examined or prepared by the accountant;

(2) The exhibits and schedules have been prepared in accordance with the terms and conditions of the Operating-Differential Subsidy Agreement, this part, and all other applicable orders, rules, regulations, and instructions issued or adopted by the Maritime Administrator;

(3) An examination was made of the books and records of the operator in support of the accounting in accordance with generally accepted auditing standards and including all procedures which were considered necessary in the circumstances; and

(4) The annual accounting correctly sets forth the required financial data.

#### § 286.6 Statement of purposes and reservations.

(a) The purpose of the procedure in this part is to establish the means for uniform application to expedite and facilitate the rendition by operators to the Administration of annual accountings under an Operating-Differential Subsidy Agreement. The receipt and consideration of such accountings by the Administration shall be subject to the following reservations:

(1) That all working papers (irrespective of by whom prepared) in support of the various statements comprising such accountings, shall be available for examination by the Administration's auditors upon request and that the Administration's auditors shall be permitted to make copies of such papers to the extent they deem necessary;

(2) That the Administration reserves the right to conduct such audits, examinations, or checks of the operators' accounts as it may deem necessary before approving the accounting involved; and

(3) That the examples to be supplied by the Comptroller of the statements required by the Administration are for illustrative purposes only and are based on hypothetical figures; that no implications should be drawn from the relative magnitude of the figures used in these examples; and that if, in any instance, an example should conflict with the text of the procedure in this part, the latter shall govern.

(b) Where, in the preceding sections hereof, reference is made to a particular part, such reference is to such part as amended, supplemented, or revised at the time of the transaction involved.

(c) The term "subsidized vessels" shall include the vessels listed in the Operating-Differential Subsidy Agreement and any other vessel for any period with respect to which its operating results are required, by the applicable provisions of the said agreement or Part 281 of this chapter, to be taken into account under the reserve fund and recapture provisions thereof.

(d) The preliminary or tentative deposits in the statutory reserve funds and calculations of excess profits subject to recapture by the Maritime Administration provided for in § 286.5 are subject to adjustment upon the approval by the Maritime Administrator of final accounting for each year or other accounting period involved.

(e) The establishment of the rules and regulations prescribed in §§ 286.1 to 286.5 is without prejudice to the right of the Maritime Administrator to determine or the operator to submit for consideration of the Maritime Administrator the employment of other bases for allocation and calculation in any instance where, upon the completion of any annual or final accounting, the re-

sults produced by the application of such rules and regulations create unreasonable results, in the judgment of the Maritime Administrator.

(f) If the rules and regulations prescribed in §§ 286.1 to 286.5 should conflict with the provisions of any applicable statute or of the Operating-Differential Subsidy Agreement, such provisions shall govern.

(g) Nothing in this part contained shall be construed as a waiver of any requirement that the consent of the

Maritime Administrator be obtained with respect to any transaction, nor as a waiver of any other right reserved to the Maritime Administrator by the Act or under the Operating-Differential Subsidy Agreement.

The reporting requirements contained in this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Since this revision was drawn in collaboration with interested members of the affected industry over a considerable

period of time, with the understanding that this revision was to be applicable to all subsidy accountings filed for the calendar year 1958 and thereafter, this revision is effective as of January 1, 1958.

Dated: April 11, 1960.

By order of the Maritime Administrator.

JAMES L. PIMPER,  
*Secretary.*

[F.R. Doc. 60-3839; Filed, Apr. 27, 1960;  
8:48 a.m.]

# Proposed Rule Making

## DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[ 7 CFR Ch. IX ]

[ Docket No. AO-320 ]

### HANDLING OF ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN TEXAS

#### Notice of Hearing With Respect to Proposed Marketing Agreement and Order

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674), and in accordance with the applicable rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900); notice is hereby given of a public hearing to be held in the Valley Chamber of Commerce Auditorium, 723 East Highway, Weslaco, Texas, beginning at 10 a.m., c.s.t., May 24, 1960, with respect to a proposed marketing agreement and order regulating the handling of oranges, grapefruit, and tangerines grown in Texas. The proposed marketing agreement and order have not received the approval of the Secretary of Agriculture.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions which relate to the provisions of the proposed marketing agreement and order hereinafter set forth, and to any appropriate modifications thereof.

Texas Citrus Mutual and the Valley Farm Bureau jointly submitted, and requested the hearing on, the proposed marketing agreement and order, the provisions of which follow (the sections identified with asterisks (\*\*\*) apply only to the proposed marketing agreement and not to the proposed order). In addition, TexaSweat Citrus, Inc., indicated its members have unanimously concurred in the proposed marketing agreement and order subject to certain modifications which are hereinafter set forth following the proposal.

#### DEFINITIONS

##### Section 1. Secretary.

"Secretary" means the Secretary of Agriculture of the United States, or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

##### Sec. 2. Act.

"Act" means Public Act No. 10, 73d Congress, as amended and as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U.S.C. 601 et seq.; 68 Stat. 1047).

##### Sec. 3. Person.

"Person" means an individual, partnership, corporation, association, or any other business unit.

##### Sec. 4. Production area.

"Production area" means all territory in the counties of Cameron, Hidalgo, Wilbacy, Brooks, Starr, Dimmitt, Webb, Jim Hogg, and Zapata in the State of Texas.

##### Sec. 5. Fruit.

"Fruit" means either or all of the following citrus fruits grown in the production area:

(a) Citrus grandis, Osbeck, commonly called "grapefruit";

(b) Citrus sinensis, Osbeck, commonly called "oranges"; and

(c) Citrus nobilis deliciosa, commonly called "tangerines."

##### Sec. 6. Handler.

"Handler" is synonymous with "shipper" and means any person (except a common or contract carrier of fruit owned by another person) who handles fruit or causes fruit to be handled.

(a) *Independent handler.* "Independent handler" means and includes all handlers other than cooperative marketing organizations.

##### Sec. 7. Handle.

"Handle" or "ship" means to transport, sell or in any other way to place fruit in the current of commerce between the production area and any point outside thereof.

##### Sec. 8. Producer.

"Producer" means any person engaged in a proprietary capacity in the production of fruit for market.

(a) *Independent producer.* "Independent producer" means and includes all producers who do not market their fruit through cooperative marketing organizations.

##### Sec. 9. Grade and size.

"Grade" means any one of the established grades of fruit and "size" means any one of the established sizes of fruit as defined and set forth in U.S. Standards for Texas issued by the United States Department of Agriculture, or amendments thereto, or modifications thereof, or variations based thereon recommended by the committee and approved by the Secretary.

##### Sec. 10. Pack.

"Pack" means any of the packs of fruit as defined and set forth in U.S. Standards for Texas issued by the United States Department of Agriculture or any pack of fruit recommended by the committee and approved by the Secretary.

##### Sec. 11. Maturity.

"Maturity" means various degrees of ripeness for fruit as established by the

committee with approval of the Secretary.

##### Sec. 12. Container.

"Container" means a box, bag, crate, hamper, basket, package, bulk load or any other type of unit used in the packaging, transportation, sale, shipment, or handling of fruit.

##### Sec. 13. Varieties.

"Varieties" means and includes all classifications or subdivisions of fruit according to those definite characteristics now or hereafter recognized by the United States Department of Agriculture.

##### Sec. 14. Committee.

"Committee" means the Texas Valley Citrus Committee, established pursuant to section 18.

##### Sec. 15. Fiscal period.

"Fiscal period" means the period beginning August 1 and ending July 31 following; or such annual beginning and ending dates as may be approved by the Secretary pursuant to recommendations of the committee.

##### Sec. 16. District.

"District" means each one of the geographic divisions of the production area initially established pursuant to section 20 or as reestablished pursuant to section 21.

##### Sec. 17. Export.

"Export" means shipment of fruit beyond the boundaries of continental United States.

#### COMMITTEE

##### Sec. 18. Establishment and membership.

(a) The Texas Valley Citrus Committee, consisting of fifteen (15) members is hereby established. For each member of the committee there shall be an alternate who shall have the same qualifications as the member.

(b) Nine members shall be producers who produce fruit in the district which they represent and are residents of the production area. Two producer members shall be producers who market their fruit through cooperative marketing organizations, and seven producer members shall be independent producers. Producer members shall not have a proprietary interest in or be employees of a handler organization.

(c) Six members shall be handlers who handle fruit and are residents of the production area. One handler member shall represent cooperative marketing organizations; five handler members shall represent independent handlers.

##### Sec. 19. Term of office.

(a) The term of office of committee members, and their respective alternates, shall be as follows: One-third of the producers and one-third of the handlers

shall serve until July 31, 1961; one-third of the producers and one-third of the handlers shall serve until July 31, 1962. The terms of all other committee members, and their alternates, as well as all subsequent members and alternates, shall be for a term of three (3) years. The term shall coincide with the fiscal period. No member or alternate shall succeed himself.

(b) Committee members and alternates shall serve during the term of office for which they are selected and have qualified, or during that portion thereof beginning on the date on which they qualify during such term of office and continuing until the end thereof, and until their successors are selected and have qualified.

#### Sec. 20. Districts.

For the purpose of determining the basis for selecting producer committee members the following districts of the production area are hereby initially established:

*District No. 1.* The County of Cameron in the State of Texas;

*District No. 2.* The County of Hidalgo in the State of Texas;

*District No. 3.* The County of Willacy in the State of Texas; and

*District No. 4.* The Counties of Brooks, Dimmit, Starr, Webb, Jim Hogg, and Zapata in the State of Texas.

#### Sec. 21. Redistricting.

The committee may recommend, and pursuant thereto the Secretary may approve the reapportionment of members among districts, the reapportionment of members between grower and handler members representing cooperative marketing organizations and independent grower and independent handler members, and the re-establishment of districts within the production area. In recommending such changes, the committee shall give consideration to: (a) Shifts in production; (b) the importance of new production in its relation to existing districts; (c) the equitable relationship of committee membership and districts; (d) changes in amount of fruit handled by cooperative marketing organizations in relation to fruit handled by independent handlers; and (e) other relevant factors. No changes in districting or in apportionment of members may become effective in less than 30 days prior to the date on which terms of office begin each year and no recommendations for such redistricting or reapportionment may be made less than six months prior to such date.

#### Sec. 22. Selection.

(a) From District No. 1 the Secretary shall select initially two producer members and their alternates representing independent producers. From District No. 2 the Secretary shall select initially two producer members and their respective alternates representing producers who market their fruit through cooperative marketing organizations, and three producer members and their respective alternates representing independent producers. From District No. 3 the Secretary shall select initially one producer member and his alternate representing

independent producers. From District No. 4 the Secretary shall select initially one producer member and his alternate representing independent producers.

(b) From the production area the Secretary shall select initially six handler members and their respective alternates. One handler member shall represent cooperative marketing organizations and five handler members shall represent independent handlers.

#### Sec. 23. Nominations.

The Secretary may select the members of the committee and alternates from nominations which may be made in the following manner:

(a) A meeting of producers who are members of cooperative marketing organizations and a meeting of independent producers shall be held for each district to nominate producer members and alternates. A meeting of handlers representing cooperative marketing organizations and a meeting of independent handlers shall be held in the production area to nominate handler members and alternates. For nominations to the initial committee, the meetings may be sponsored by the United States Department of Agriculture or by any agency or group requested to do so by such Department. For nominations for succeeding members and alternates on the committee, the committee shall hold such meetings or cause them to be held prior to June 15 of each year, after the effective date of this subpart;

(b) At each such meeting at least one nomination shall be designated for each position as member and alternate;

(c) Nominations for committee members and alternates following the initial committee shall be supplied to the Secretary not later than July 1 each year;

(d) Only producers who market their fruit through cooperative marketing organizations may participate in designating nominees for members and alternates representing cooperative producers; only independent producers may participate in designating nominees for members and alternates representing independent producers. Only handlers representing cooperative marketing organizations may participate in designating nominees for members and alternates representing cooperative handlers; and only independent handlers may participate in designating nominees for members and alternates representing independent handlers. In the event that a person is engaged in producing fruit in more than one district such person shall elect the district within which he may participate as aforesaid in designating nominees, and

(e) Regardless of the amount of fruit handled by a handler or the number of districts in which a person produces fruit, each person is entitled to cast only one vote on behalf of himself, his agents, subsidiaries, affiliates, and representatives in designating nominees for committee members and alternates. An eligible voter's privilege of casting only one vote as aforesaid shall be construed to permit a voter to cast one vote for each position to be filled.

#### Sec. 24. Failure to nominate.

If nominations are not made within the time and in the manner specified in section 23, the Secretary may, without regard to nominations, select the committee members and alternates, which selection shall be on the basis of the representation provided for in sections 20 to 22, inclusive.

#### Sec. 25. Acceptance.

Any person selected as a committee member or alternate shall qualify by filing a written acceptance with the Secretary within ten days after being notified of such selection.

#### Sec. 26. Vacancies.

To fill committee vacancies, the Secretary may select such members or alternates from unselected nominees on the current nominee list from the district involved, or from nominations made in the manner specified in section 23. If the names of nominees to fill any such vacancy are not made available to the Secretary within 30 days after such vacancy occurs, such vacancy may be filled without regard to nominations, which selection shall be made on the basis of representation provided for in sections 20 to 22, inclusive.

#### Sec. 27. Alternate members.

An alternate member of the committee shall act in the place and stead of the member for whom he is an alternate, during such member's absence. In the event of the death, removal, resignation, or disqualification of a member, his alternate shall act for him until a successor of such member is selected and has qualified.

#### Sec. 28. Procedure.

Ten members of the committee shall be necessary to constitute a quorum, six of whom shall be producer members. Ten affirmative votes shall be required to pass any motion or approve any committee action. All votes shall be cast in person.

#### Sec. 29. Expenses and compensation.

The members of the committee, and alternates, shall serve without compensation; but they may be reimbursed for expenses necessarily incurred by them in the performance of their duties and in the exercise of their powers under this sub-part.

#### Sec. 30. Powers.

The committee shall have the following powers:

(a) To administer the provisions of this part in accordance with its terms;

(b) To make rules and regulations to effectuate the terms and provisions of this part;

(c) To receive, investigate, and report to the Secretary complaints of violation of the provisions of this part; and

(d) To recommend to the Secretary amendments to this part.

#### Sec. 31. Duties.

It shall be, among other things, the duty of the committee:

(a) At the beginning of each term of office, to meet and organize, to select a

chairman and such other officers as may be necessary, to select sub-committees, and to adopt such rules and regulations for the conduct of its business as it may deem advisable;

(b) To act as intermediary between the Secretary and any producer or handler;

(c) To furnish to the Secretary such available information as he may request;

(d) To appoint such employees, agents, and representatives as it may deem necessary and to determine the salaries and define the duties of each such person;

(e) To require adequate fidelity bonds for all persons handling funds;

(f) To investigate from time to time and to assemble data on the growing, harvesting, shipping, and marketing conditions with respect to fruit;

(g) To prepare a marketing policy;

(h) To recommend marketing regulations to the Secretary;

(i) To recommend rules and procedures for, and to make determinations in connection with, issuance of certificates of privilege;

(j) To keep minutes, books, and records which clearly reflect all of the acts and transactions of the committee and such minutes, books, and records shall be subject to examination at any time by the Secretary or his authorized agent or representative. Minutes of each committee meeting shall be promptly reported to the Secretary.

(k) At the beginning of each fiscal period, to prepare a budget of its expenses for such fiscal period, together with a report thereon;

(l) To cause the books of the committee to be audited by a competent accountant at least once each fiscal period, and at such other time as the committee may deem necessary or as the Secretary may request. The report of such audit shall show the receipt and expenditure of funds collected pursuant to this part; a copy of each such report shall be furnished to the Secretary and a copy of each report shall be made available at the principal office of the committee for inspection by producers and handlers; and

(m) To consult, cooperate, and exchange information with other marketing agreement committees and other individuals or agencies in connection with all proper committee activities and objectives under this part.

#### EXPENSES AND ASSESSMENTS

##### Sec. 32. Expenses.

The committee is authorized to incur such expenses as the Secretary may find are reasonable and likely to be incurred during each fiscal period for its maintenance and functioning, and for such purposes as the Secretary, pursuant to this subpart, determines to be appropriate. Handlers shall share expenses upon the basis of a fiscal period. Each handler's share of such expense shall be proportionate to the ratio between the total quantity of fruit handled by him as the first handler thereof during a fiscal period and the total quantity of fruit handled by all handlers as first

handlers thereof during such fiscal period.

##### Sec. 33. Budget.

At the beginning of each fiscal period and as may be necessary thereafter, the committee shall prepare an estimated budget of income and expenditures necessary for the administration of this part. The committee may recommend a rate of assessment calculated to provide adequate funds to defray its proposed expenditures. The committee shall present such budget to the Secretary with an accompanying report showing the basis for its calculations.

##### Sec. 34. Assessments.

(a) The funds to cover the committee's expenses shall be acquired by the levying of assessments upon handlers as provided in this subpart. Each handler who first handles fruit shall pay assessments to the committee upon demand, which in no case shall be due before inspection and shipment; assessments shall be in payment of such handler's pro rata share of the committee's expenses.

(b) Assessments shall be levied upon handlers at rates established by the Secretary. Such rates may be established upon the basis of the committee's recommendations and other available information. Such rates may be applied to specified containers used in the production area.

(c) The payment of assessments for the maintenance and functioning of the committee may be required under this part throughout the period it is in effect irrespective whether particular provisions thereof are suspended or become inoperative.

##### Sec. 35. Accounting.

(a) If, at the end of a fiscal period, the assessments collected are in excess of expenses incurred, such excess shall be accounted for in accordance with one of the following:

(1) If such excess is not retained in a reserve, as provided in subparagraph (2) of this paragraph, it shall be refunded proportionately to the persons from whom it was collected.

(2) The committee, with the approval of the Secretary, may carry over such excess into subsequent fiscal periods as a reserve: *Provided*, That funds already in the reserve do not equal approximately one fiscal period's expenses. Such reserve funds may be used (i) to defray expenses, during any fiscal period prior to the time assessment income is sufficient to cover such expenses, (ii) to cover deficits incurred during any fiscal period when assessment income is less than expenses, (iii) to defray expenses incurred during any period when any or all provisions of this part are suspended or are inoperative, (iv) to cover necessary expenses of liquidation in the event of termination of this part. Upon such termination, any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate. To the extent practical, such funds shall be returned pro rata to

the persons from whom such funds were collected.

(b) All funds received by the committee pursuant to the provisions of this part shall be used solely for the purpose specified in this part and shall be accounted for in the manner provided in this part. The Secretary may at any time require the committee and its members to account for all receipts and disbursements.

(c) Upon the removal or expiration of the terms of office of any member of the committee, such member shall account for all receipts and disbursements and deliver all property and funds in his possession to the committee, and shall execute such assignments and other instruments as may be necessary or appropriate to vest in the committee full title to all of the property, funds, and claims vested in such member pursuant to this part.

(d) The committee may make recommendations to the Secretary for one or more of the members thereof, or any other person, to act as a trustee for holding records, funds, or any other committee property during periods of suspension of this subpart, or during any period or periods when regulations are not in effect and if the Secretary determines such action appropriate, he may direct that such person or persons shall act as trustee or trustees for the committee.

#### RESEARCH AND DEVELOPMENT

##### Sec. 37. Research and development.

The committee, with the approval of the Secretary may establish or provide for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of fruit. The expenses of such projects shall be paid from funds collected pursuant to section 34, and shall not in any given time exceed 25 percent of the revenue collected during that year.

#### REGULATION

##### Sec. 38. Marketing policy.

Prior to or at the same time as initial recommendations are made pursuant to section 39, the committee shall submit to the Secretary a report setting forth the marketing policy it deems desirable for the industry to follow in shipping fruit from the production area during the ensuing season. Additional reports shall be submitted from time to time if it is deemed advisable by the committee to adopt a new or modified marketing policy because of changes in the demand and supply situation with respect to fruit. The committee shall publicly announce the submission of each marketing policy report and copies thereof shall be available at the committee's office for inspection by any producer or handler. In determining each such marketing policy the committee shall give due consideration to the following:

(a) Market prices of fruit, including prices by grades, sizes, and quality in different packs, and such prices by foreign competing areas;

(b) Supply of fruit, by grade, size, and quality in the production area, and in other production areas, including foreign production areas;

(c) Trend and level of consumer income;

(d) Marketing conditions affecting fruit prices; and

(e) Other relevant factors.

#### Sec. 39. Recommendations for regulations.

The committee, upon complying with the requirements of section 38, may recommend regulations to the Secretary whenever it finds that such regulations, as are provided for in this subpart, will tend to effectuate the declared policy of the act. The committee shall give notice of any such recommendation at least 48 hours before the time it is recommended that such regulation become effective.

#### Sec. 40. Issuance of regulations.

The Secretary shall limit the handling of fruit whenever he finds from the recommendation and information submitted by the committee, or from other available information, that such regulation would tend to effectuate the declared policy of the act. Such regulations may:

(a) Limit, in any or all portions of the production area, the handling of particular grades, sizes, qualities, maturities, or packs of any or all varieties of fruit during a period; or

(b) Limit the handling of particular grades, sizes, qualities, or packs of fruit differently for any or all portions of the production area for different varieties, for different containers, for different markets, for different export markets, for different purposes specified in section 42, or any combination of the foregoing, during any period; or

(c) Limit the handling of fruit by establishing, in terms of grades, sizes, or both, minimum standards of quality and maturity; or

(d) Fix the size, weight, capacity, dimensions, or pack of the container or containers which may be used in the packaging, transportation, sale, shipment, or other handling of fruit; or

(e) Prohibit as an unfair method of competition:

(1) The handling of any fruit which does not have marked on each container the grade or the registered grade label of the fruit contained therein;

(2) The handling of any grapefruit which does not have marked on each fruit the word "Texas" or other words implying Texas origin with a tolerance recommended by the committee and approved by the Secretary;

(3) The handling of any fruit which is misbranded as to variety, or type; or

(f) *Prohibition of volume proration.* No regulations may be issued under the authority of this agreement and order which allots to individual handlers the quantity of fruit which each handler may ship during any regulation period.

#### Sec. 41. Minimum quantities.

The committee with the approval of the Secretary, may establish, for any or all portions of the production area, minimum quantities below which handling will be free from regulations issued or effective pursuant to sections 34, 40, 42, 45, or any combination thereof.

#### Sec. 42. Shipments for special purposes.

Upon the basis of recommendations and information submitted by the committee, or other available information, the Secretary, whenever he finds that it will tend to effectuate the declared policy of the act, shall modify, suspend, or terminate regulations issued pursuant to sections 34, 40, 41, 45, or any combination thereof, in order to facilitate handling of fruit for the following purposes:

(a) For relief or for charity;

(b) For processing or for manufacture or conversion into specified products;

(c) For other purposes which may be specified by the committee with the approval of the Secretary.

#### Sec. 43. Notification of regulation.

The Secretary shall notify the committee of any regulations issued or of any modification, suspension, or termination thereof. The committee shall give reasonable notice thereof to handlers.

#### Sec. 44. Safeguards.

(a) The committee, with the approval of the Secretary, may prescribe adequate safeguards to prevent handling of fruit pursuant to section 41 or section 42 from entering channels of trade for other than the specific purpose authorized therefor, and rules governing the issuance and the contents of certificates of privilege if such certificates are prescribed as safeguards by the committee. Such safeguards may include requirements that:

(1) Handlers shall file applications with the committee to ship fruit pursuant to sections 41 and 42; or

(2) Handlers shall obtain inspection provided by section 45, or pay the assessment levied pursuant to section 34, or both, in connection with shipments made under section 42; or

(3) Handlers shall obtain certificates of privilege from the committee to handle fruit affected or to be affected under the provisions of sections 41 and 42.

(b) The committee may rescind or deny certificates of privilege to any handler if proof is obtained that fruit handled by him for the purposes stated in sections 41 and 42 were handled contrary to the provisions of this part.

(c) The Secretary shall have the right to modify, change, alter, or rescind any safeguards prescribed and any certificates issued by the committee pursuant to the provisions of this section.

(d) The committee shall make reports to the Secretary, as requested, showing the number of applications for such certificates, the quantity of fruit covered by such applications, the number of such applications denied and certificates granted, the quantity of fruit handled under duly issued certificates, and such other information as may be requested.

#### INSPECTION

#### Sec. 45. Inspection and certification.

(a) During any period in which handling of fruit is regulated pursuant to sections 34, 40, 42, or any combination thereof, no handler shall handle fruit unless such fruit is inspected by an au-

thorized representative of the Federal or Federal-State Inspection Service, or such other inspection service as the Secretary shall designate, except when relieved from such requirements pursuant to section 41, or section 42, or both;

(b) Regrading, resorting, or repacking any lot of fruit shall invalidate any prior inspection certificates insofar as the requirements of this section are concerned. No handler shall handle fruit after it has been regraded, resorted, repacked, or in any other way prepared for market, unless each lot of fruit is inspected by an authorized representative of the Federal or Federal-State Inspection Service, or such other inspection service as the Secretary shall designate: *Provided*, That the committee, with the approval of the Secretary, may provide for waiving inspection requirements on any fruit in circumstances where it appears reasonably certain after regrading, resorting, or repacking such fruit meets the applicable quality and other standards then in effect;

(c) Insofar as the requirements of this section are concerned, the length of time for which an inspection certificate is valid may be established by the committee with the approval of the Secretary;

(d) When fruit is inspected in accordance with the requirements of this section a copy of each inspection certificate issued shall be made available to the committee by the inspection service;

(e) The committee may recommend and the Secretary may require that any fruit handled or transported by motor vehicle shall be accompanied by a copy of the inspection certificate issued thereon, which certificate shall be surrendered to such authority as may be designated.

#### REPORTS

#### Sec. 51. Reports.

Upon request of the committee, made with the approval of the Secretary, each handler shall furnish to the committee, in such manner and at such time as it may prescribe, such reports and other information as may be necessary for the committee to perform its duties under this part.

(a) Such reports may include, but are not necessarily limited to, the following:

(1) The quantities of fruit received by a handler;

(2) The quantities disposed of by him, segregated as to the respective quantities subject to regulation and not subject to regulation;

(3) The date of each such disposition and the identification of the carrier transporting such fruit;

(4) Identification of the inspection certificates and the exemption certificates, if any, pursuant to which the fruit was handled, together with the destination of each exempted disposition, and of all fruit handled pursuant to sections 41 and 42.

(b) All such reports shall be held under appropriate protective classification and custody of the committee, or duly appointed employees thereof, so that the information contained therein which may adversely affect the competi-

tive position of any handler in relation to other handlers will not be disclosed. Compilations of general reports from data submitted by handlers is authorized, subject to prohibition of disclosure of individual handlers' identities or operations.

(c) Each handler shall maintain for at least two succeeding years such records of the fruit received and disposed of by such handler as may be necessary to verify the reports he submits to the committee pursuant to this section.

#### MISCELLANEOUS PROVISIONS

##### Sec. 52. Compliance.

Except as provided in this subpart, no handler shall handle fruit, the handling of which has been prohibited by the Secretary in accordance with provisions of this subpart, or the rules and regulations used thereunder, and no handler shall handle fruit except in conformity to the provisions of this subpart.

##### Sec. 53. Right of the Secretary.

The members of the committee (including successors and alternates), and any agent or employee appointed or employed by the committee, shall be subject to removal or suspension by the Secretary at any time. Each and every order, regulation, decision, determination or other act of the committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time. Upon such disapproval, the disapproved action of the said committee shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith prior to such disapproval by the Secretary.

##### Sec. 54. Effective time.

The provisions of this subpart, or any amendment thereto, shall become effective at such time, as the Secretary may declare and shall continue in force until terminated in one of the ways specified in this subpart.

##### Sec. 55. Termination.

(a) The Secretary may, at any time, terminate the provisions of this subpart by giving at least one day's notice by means of a press release or in any other manner he may determine.

(b) The Secretary may terminate or suspend the operation of any or all of the provisions of this subpart whenever he finds that such provisions do not tend to effectuate the declared policy.

(c) The Secretary shall terminate the provisions of this subpart at the end of any fiscal period whenever he finds that such termination is favored by a majority of producers who during a representative period, have been engaged in the production of fruit for market: *Provided*, That such majority has, during such representative period, produced for market more than fifty percent of the volume of such fruit produced for market.

(d) The provisions of this subpart shall, in any event, terminate whenever the provisions of the act authorizing them cease to be in effect.

##### Sec. 56. Proceedings after termination.

(a) Upon the termination of the provisions of this subpart the then function-

ing members of the committee shall continue as joint trustees for the purpose of liquidating the affairs of the committee of all the funds and property then in the possession of or under control of the committee, including claims for any funds unpaid or property not delivered at the time of such termination. Action by said trusteeship shall require the concurrence of a majority of the said trustees;

(b) The said trustees shall continue in such capacity until discharged by the Secretary; shall, from time to time, account for all receipts and disbursements and deliver all property on hand, together with all books and records of the committee and of the trustees, to such person as the Secretary may direct; and shall, upon the request of the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all funds, property and claims vested in the committee or the trustees pursuant to this subpart;

(c) Any person to whom funds, property, or claims have been transferred or delivered by the committee or its members pursuant to this section, shall be subject to the same obligations imposed upon the members of the committee and upon the said trustees.

##### Sec. 57. Effect of termination or amendment.

Unless otherwise expressly provided by the Secretary, the termination of this subpart or of any regulation issued pursuant to this subpart, or the issuance of any amendments to either thereof, shall not (a) affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with any provision of this subpart or any regulation issued under this subpart, or (b) release or extinguish any violation of this subpart or of any regulations issued under this subpart, or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violations.

##### Sec. 58. Duration of immunities.

The benefits, privileges, and immunities conferred upon any person by virtue of this subpart shall cease upon the termination of this subpart, except with respect to acts done under and during the existence of this subpart.

##### Sec. 59. Agents.

The Secretary may, by designation in writing, name any person, including any officer or employee of the United States, or name any agency in the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this subpart.

##### Sec. 60. Derogation.

Nothing contained in this subpart is, or shall be construed to be, in derogation or in modification of the rights of the Secretary or of the United States to exercise any powers granted by the act or otherwise, or in accordance with such powers, to act in the premises whenever such action is deemed advisable.

##### Sec. 61. Personal liability.

No member or alternate of the committee or any employee or agent thereof, shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any handler or to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, agent, or employee, except for act of dishonesty, willful misconduct, or gross negligence.

##### Sec. 62. Separability.

If any provision of this subpart is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this subpart, or the applicability thereof to any other person, circumstance, or thing, shall not be affected thereby.

##### Sec. 63. Amendments.

Amendments to this subpart may be proposed from time to time, by the committee or by the Secretary.

##### Sec. 64. Counterparts.

This agreement may be executed in multiple counterparts and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were contained in one original. \* \* \*

##### Sec. 65. Additional parties.

After the effective date hereof, any handler who has not previously executed this agreement may become a party hereto if a counterpart hereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party. \* \* \*

##### Sec. 66. Order with marketing agreement.

Each signatory handler favors and approves the issuance of an order, by the Secretary, regulating the handling of fruit in the same manner as is provided for in this agreement; and each signatory handler hereby requests the Secretary to issue, pursuant to the act such order. \* \* \*

The modifications to the proposed marketing agreement and order, proposed by TexaSweat Citrus, Inc., are:

(1) That the committee provided for in section 18 be composed of equal representation as between handlers and producers;

(2) That all reference to authority for regulation of maturity be deleted; and

(3) That all of section 37, relating to marketing research and development, be deleted.

Copies of this notice of hearing may be obtained from the office of the Hearing Clerk, United States Department of Agriculture, Room 112, Administration Building, Washington 25, D.C., or the Field Representative, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of

Agriculture, Room 344-B, New Custom-house, Denver 2, Colorado.

Dated: April 25, 1960.

**ROY W. LENNARTSON,**  
*Deputy Administrator,*  
*Marketing Services.*

[F.R. Doc. 60-3847; Filed, Apr. 27, 1960;  
8:49 a.m.]

**[ 7 CFR Part 26 ]**

**LICENSED GRAIN INSPECTORS**

**Proposed Instruction**

Notice is hereby given that the Agricultural Marketing Service, pursuant to section 8 of the United States Grain Standards Act (7 U.S.C. 84), and §§ 26.15, 26.29, 26.30 of the regulations thereunder (7 CFR 26.15, 26.29, and 26.30), is considering instructing inspectors licensed under the United States Grain Standards Act to include, upon the request of the applicant for inspection, on certificates of grade for wheat, other than as a part of the grade designation, the following statement or statements:

Dockage and foreign material combined do not exceed -----%.

or

Dockage, foreign material, and shrunken and broken kernels combined do not exceed -----%.

or

Dockage and foreign material combined do not exceed -----%. Shrunken and broken kernels do not exceed -----%.

The percentages when equal to one percent or more would be stated in terms of whole percent and tenths of a percent, and when less than one percent, would be stated in terms of tenths of a percent.

Nothing in the instruction would change the present requirement with respect to showing dockage as a part of the grade designation, or the present provision with respect to showing foreign material and/or shrunken and broken kernels as individual factor determinations.

Any interested person who wishes to submit written data, views, or arguments concerning the proposed instruction may do so by sending them to the Director, Grain Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 15 days after publication of this notice in the FEDERAL REGISTER.

Done at Washington, D.C., this 22d day of April 1960.

**ROY W. LENNARTSON,**  
*Deputy Administrator.*

[F.R. Doc. 60-3829; Filed, Apr. 27, 1960;  
8:46 a.m.]

**FEDERAL AVIATION AGENCY**

**[ 14 CFR Part 602 ]**

[Airspace Docket No. 59-WA-412]

**CODED JET ROUTES**

**Modification of Proposal**

In a notice of proposed rule making published in the FEDERAL REGISTER as Airspace Docket No. 59-WA-412, on January 12, 1960 (25 F.R. 222), it was stated that the Federal Aviation Agency proposed to realign VOR/VORTAC jet route No. 77 between Wilmington, N.C., and Gordonsville, Va., via the Wilmington VOR 012° and the Gordonsville VOR 164° True radials in order to permit si-

multaneous use of the Seymour-Johnson Restricted Area/Military Climb Corridor and Jet Route 77-V, at all altitudes. It has since been determined that if the jet route were to be aligned direct between Wilmington and Gordonsville, the resulting lateral separation between the jet route and the climb corridor would permit simultaneous use of each at all altitudes. Accordingly, notice is hereby given that the original proposal is amended in that VOR/VORTAC jet route No. 77 would be established direct between the Wilmington, N.C., VOR and the Gordonsville, Va., VOR.

In order to provide interested persons time to adequately evaluate this proposal, as modified herein, and an opportunity to submit additional written data, views or arguments, the closing date for filing such material shall be extended to May 18, 1960.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), I hereby give notice that the time within which comments will be received for consideration on Airspace Docket No. 59-WA-412 is extended to May 18, 1960. Communications should be submitted in triplicate to the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C.

Sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on April 21, 1960.

**GEORGE S. CASSADY,**  
*Acting Director, Bureau of*  
*Air Traffic Management.*

[F.R. Doc. 60-3817; Filed, Apr. 27, 1960;  
8:45 a.m.]

# Notices

## DEPARTMENT OF THE TREASURY

Office of the Secretary

[AA 643.3]

### TOBACCO FROM THE PHILIPPINES

#### Determination of No Sales at Less Than Fair Value

APRIL 22, 1960.

A complaint was received that tobacco from the Philippines was being sold to the United States at less than fair value within the meaning of the Antidumping Act of 1921.

I hereby determine that tobacco from the Philippines is not being, nor likely to be, sold in the United States at less than fair value within the meaning of section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)).

*Statement of reasons.* Involved in the complaint was one lot of tobacco which had proved unsalable for home consumption in the Philippines. Since the tobacco is not sold for home consumption, purchase price was compared to the price to countries other than the United States for fair value purposes. It was determined that for sales during the year 1958 purchase price was less than third country sales price by a margin of less than 1/2 of 1 percent. For sales during the year 1959 purchase price exceeded third country price by a substantial percentage.

The small margin of difference for the year 1958 was considered to be not more than insignificant.

This determination and the statement of reasons therefor are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(c)).

[SEAL] A. GILMORE FLUES,  
*Acting Secretary of the Treasury.*

[F.R. Doc. 60-3841; Filed, Apr. 27, 1960;  
8:48 a.m.]

## DEPARTMENT OF THE INTERIOR

Bureau of Land Management  
COLORADO

### Notice of Proposed Withdrawal and Reservation of Lands

APRIL 22, 1960.

The United States Fish and Wildlife Service of the Department of the Interior has filed an application, Colorado 037314, for the withdrawal of the lands described below from all forms of appropriation under the public land laws, including the general mining laws, but not the mineral leasing laws, subject to existing valid rights.

The applicant desires the land as an addition to the Monte Vista National

Wildlife Refuge to facilitate administration and development of the Refuge for migratory waterfowl.

For a period of thirty days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Colorado State Office, 339 New Custom House, P.O. Box 1018, Denver 1, Colorado.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

T. 38 N., R. 8 E.  
Sec. 31, SE 1/4;  
Sec. 32, NW 1/4 and SE 1/4;  
Sec. 33, NW 1/4 and SE 1/4.

The area described above aggregates 800 acres.

J. ELLIOTT HALL,  
*Lands and Minerals Officer.*

[F.R. Doc. 60-3819; Filed, Apr. 27, 1960;  
8:45 a.m.]

[Notice 11]

### ALASKA

#### Notice of Filing of Protraction Diagram, Anchorage Land District

APRIL 22, 1960.

Notice is hereby given that effective with this publication, the following protraction diagrams are officially filed of record in the Anchorage Land Office, 6th and Cordova, Anchorage, Alaska. In accordance with 43 CFR 192.42a(c) (24 F.R. 4140, May 22, 1959), these protractions will become the basic record for the description of oil and gas lease offers, State Selection applications under 43 CFR 76.9(a)(4) (24 F.R. 4657), and other authorized uses filed at and subsequent to 10:00 a.m. on the thirty-first day after the publication of this notice.

ALASKA PROTRACTION DIAGRAM (UNSURVEYED)

CR 4-1, Ts. 13 to 14 N., Rs. 1 to 4 W., Copper River Meridian.  
CR 4-2, Ts. 13 to 14 N., Rs. 5 to 8 W., Copper River Meridian.  
CR 4-3, Ts. 13 to 14 N., Rs. 9 to 10 W., Copper River Meridian.  
CR 4-4, Ts. 9 to 12 N., Rs. 9 to 10 W., Copper River Meridian.  
CR 4-5, Ts. 9 to 12 N., Rs. 5 to 8 W., Copper River Meridian.  
CR 4-6, Ts. 9 to 12 N., Rs. 1 to 4 W., Copper River Meridian.  
CR 4-7, Ts. 5 to 8 N., Rs. 1 to 4 W., Copper River Meridian.

CR 4-8, Ts. 5 to 8 N., Rs. 5 to 8 W., Copper River Meridian.

CR 4-9, Ts. 5 to 8 N., Rs. 9 to 10 W., Copper River Meridian.

CR 4-10, Ts. 1 to 4 N., Rs. 9 to 11 W., Copper River Meridian.

CR 4-11, Ts. 1 to 4 N., Rs. 5 to 8 W., Copper River Meridian.

CR 4-12, Ts. 1 to 4 N., Rs. 1 to 4 W., Copper River Meridian.

Copies of these diagrams are for sale at one dollar (\$1.00) per sheet by the Cadastral Engineering Office, Bureau of Land Management, mailing address: 6th and Cordova, Anchorage, Alaska.

IRVING W. ANDERSON,  
*Manager, Anchorage Land Office.*

[F.R. Doc. 60-3820; Filed, Apr. 27, 1960;  
8:45 a.m.]

[W-094183]

### WYOMING

#### Notice of Proposed Withdrawal and Reservation of Lands

APRIL 22, 1960.

The Forest Service, Department of Agriculture, has filed an application, Serial No. Wyoming 094183, for withdrawal of the lands described below from location and entry under the general mining laws of the United States.

The applicant desires the land for picnic grounds, campgrounds, lookout sites and recreation areas.

For a period of thirty days from the date of publication of this notice, persons having cause may present their objections in writing to the State Supervisor of the Bureau of Land Management, Department of the Interior, P.O. Box 929, Cheyenne, Wyoming.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, WYOMING

MEDICINE BOW NATIONAL FOREST

*Barrett Creek Campground*

T. 16 N., R. 81 W.,  
Sec. 27, NW 1/4 SE 1/4 NW 1/4, S 1/2 SE 1/4 NW 1/4,  
E 1/2 SW 1/4 NW 1/4, NE 1/4 NW 1/4 SW 1/4, N 1/2  
NE 1/4 SW 1/4;

*Beaver Meadows Campground*

T. 14 N., R. 79 W.,  
Sec. 3, Lots 1, 2, W 1/2 SW 1/4 NE 1/4, NE 1/4 SW 1/4  
NE 1/4, NW 1/4 SE 1/4 NE 1/4.

T. 15 N., R. 79 W.,  
Sec. 34, SE 1/4 NE 1/4, NE 1/4 SW 1/4 NE 1/4, S 1/2  
SW 1/4 NE 1/4, N 1/2 SE 1/4, E 1/2 SW 1/4 SE 1/4, SE 1/4  
SE 1/4;  
Sec. 35, NW 1/4 SW 1/4 NW 1/4, S 1/2 SW 1/4 NW 1/4,  
SW 1/4.

*Blair Picnic Ground*

T. 14 N., R. 71 W.,  
Sec. 7, SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$   
SE $\frac{1}{4}$ ;  
Sec. 18, N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Boswell Creek Picnic Ground*

T. 12 N., R. 78 W.,  
Sec. 23, Lot 2.

*Bow River Campground*

T. 18 N., R. 80 W.,  
Sec. 23, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Esterbrook Campground*

T. 28 N., R. 71 W.,  
Sec. 1, S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Evans Creek Picnic Ground*

T. 13 N., R. 78 W.,  
Sec. 27, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$   
NW $\frac{1}{4}$ ;  
Sec. 28, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Fence Creek Picnic Ground*

T. 14 N., R. 77 W.,  
Sec. 33, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 34, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*French Creek Campground*

T. 15 N., R. 81 W.,  
Sec. 34, N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Happy Jack Ski Area*

T. 15 N., R. 72 W.,  
Sec. 23, NE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$   
SW $\frac{1}{4}$ SE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 24, NW $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Hidden Valley Community Picnic Ground*

T. 15 N., R. 72 W.,  
Sec. 26, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 35, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Holmes Campground*

T. 14 N., R. 79 W.,  
Sec. 33, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .  
T. 15 N., R. 79 W.,  
Sec. 4, Lot 2.

*Jim Creek Campground*

T. 15 N., R. 79 W.,  
Sec. 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Libby Flats Observation Point*

T. 16 N., R. 79 W.,  
Sec. 20, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ .

*North Fork Campground*

T. 16 N., R. 78 W.,  
Sec. 8, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 16, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
Sec. 17, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*North Spring Creek Campground*

T. 15 N., R. 86 W.,  
Sec. 16, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ .

*North Twin Lake Campground*

T. 16 N., R. 80 W.,  
Sec. 14, E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Pelton Creek Campground*

T. 13 N., R. 79 W.,  
Sec. 19, S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 30, N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Pole Creek Picnic Ground*

T. 15 N., R. 72 W.,  
Sec. 24, S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$   
SE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*South Brush Creek Campground*

T. 16 N., R. 81 W.,  
Sec. 21, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Stillwater Park Campground*

T. 17 N., R. 80 W.,  
Sec. 2, Lots 3, 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$   
NW $\frac{1}{4}$ ;  
Sec. 3, E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*South Twin Lake Campground*

T. 16 N., R. 80 W.,  
Sec. 22, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 23, S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Tie City Picnic Ground*

T. 15 N., R. 72 W.,  
Sec. 23, SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 26, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Vedauwoo Picnic Ground*

T. 14 N., R. 71 W.,  
Sec. 20, E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 29, N $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Wallis Picnic Ground*

T. 14 N., R. 71 W.,  
Sec. 7, Lot 1.

*Woods Creek Picnic Ground*

T. 13 N., R. 77 W.,  
Sec. 19, NE $\frac{1}{4}$  of Lot 6, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ .

BIGHORN NATIONAL FOREST

*Black Mountain Lookout*

T. 55 N., R. 87 W.,  
Sec. 18, S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Bighorn Baptist Youth Organization Camp*

T. 55 N., R. 88 W.,  
Sec. 4, W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Big Willow Campground*

T. 55 N., R. 89 W.,  
Sec. 1, SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Boulder Park Campground and Trailer Park*

T. 48 N., R. 86 W.,  
Sec. 6, Lot 12.

*Bull Creek Picnic Ground*

T. 49 N., R. 86 W.,  
Sec. 34, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Burgess Junction Highway Maintenance Camp*

T. 55 N., R. 89 W.,  
Sec. 1, SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Burgess Picnic Ground*

T. 56 N., R. 89 W.,  
Sec. 36, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Cabin Creek Campground*

T. 53 N., R. 89 W., (Unsurveyed).  
When surveyed will be:  
Sec. 14, W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$   
SW $\frac{1}{4}$ , E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Canyon Creek Campground*

T. 48 N., R. 85 W.,  
Sec. 18, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Canyon Campground*

T. 49 N., R. 83 W.,  
Sec. 29, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Circle Park Campground*

T. 50 N., R. 84 W.,  
Sec. 29, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$   
SE $\frac{1}{4}$ .

*Cliff Lake Back Area Camp*

T. 51 N., R. 86 W.,  
Sec. 4, S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Cold Springs Campground*

T. 50 N., R. 88 W.,  
Sec. 2, S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Crazy Woman Campground*

T. 49 N., R. 84 W.,  
Sec. 36, E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Cross Creek Campground*

T. 53 N., R. 86 W.,  
Sec. 21, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$   
SE $\frac{1}{4}$ .

*Dayton Gulch Campground*

T. 56 N., R. 91 W.,  
Sec. 12, S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 13, NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Deer Park Campground*

T. 49 N., R. 86 W.,  
Sec. 4, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*E-La-Ka-Wee Organization Camp*

T. 49 N., R. 84 W.,  
Sec. 22, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 23, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 26, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
Sec. 27, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$   
NE $\frac{1}{4}$ .

*Frying Pan Lakes Back Area Camp*

T. 51 N., R. 85 W.,  
Sec. 3, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Granite Creek Campground*

T. 53 N., R. 89 W. (Unsurveyed),  
When surveyed will be sec. 14, W $\frac{1}{2}$ NE $\frac{1}{4}$   
NW $\frac{1}{4}$ .

*Highway Campground*

T. 56 N., R. 88 W.,  
Sec. 28, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 29, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 32, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 33, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ .

*High Park Lookout*

T. 48 N., R. 86 W.,  
Sec. 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$   
SE $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 9, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$   
NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Hunter Mesa Lookout*

T. 50 N., R. 84 W.,  
Sec. 3, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$   
NE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Indian Creek Organization Camp*

T. 48 N., R. 86 W.,  
Sec. 18, Lot 8.

*Island Park Campground*

T. 49 N., R. 86 W.,  
Sec. 20, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$   
NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Lake Creek Campground*

T. 49 N., R. 86 W.,  
Sec. 22, E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Lake Geneva Back Area Camp*

T. 52 N., R. 86 W.,  
Sec. 19, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Lake Helen Back Area Camp*

T. 50 N., R. 86 W.,  
Sec. 9, S $\frac{1}{2}$ N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ NW $\frac{1}{4}$   
SW $\frac{1}{4}$ .

*Leigh Creek Picnic Ground*

T. 48 N., R. 87 W.,  
Sec. 33, E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Little Horn Picnic Ground*

T. 58 N., R. 89 W.,  
Sec. 19, Lot 3.

*Lower Doyle Campground*

T. 47 N., R. 84 W.,  
Sec. 5, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$   
NW $\frac{1}{4}$ .

*Lower Lake Solitude Back Area Camp*

T. 51 N., R. 87 W.,  
Sec. 36, N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Middle Fork Campground*

T. 50 N., R. 84 W.,  
Sec. 15, S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*North Fork Picnic Ground*

T. 50 N., R. 84 W.,  
Sec. 10, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*North Tongue Campground*

T. 55 N., R. 89 W.,  
Sec. 1, Lot 4;  
Sec. 2, Lot 1, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

T. 56 N., R. 89 W.,  
Sec. 35, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 36, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Owen Creek Campground*

T. 55 N., R. 88 W.,  
Sec. 31, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Paralto Picnic Ground*

T. 53 N., R. 86 W.,  
Sec. 21, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Pine Island Community Center*

T. 55 N., R. 88 W.,  
Sec. 5, Lots 1, 2.

*Powder River Pass Observation Point*

T. 48 N., R. 85 W.,  
Sec. 9, N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Preacher Rock Picnic Ground*

T. 54 N., R. 86 W.,  
Sec. 31, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Prune Creek Campground*

T. 55 N., R. 88 W.,  
Sec. 4, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Ranger Creek Picnic Ground*

T. 53 N., R. 86 W.,  
Sec. 4, Lot 6.

*Ranger Creek Campground and Picnic Ground*

T. 53 N., R. 88 W.,  
Sec. 19, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 30, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Sheep Mountain Lookout*

T. 49 N., R. 84 W.,  
Sec. 30, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Shell Creek Campground*

T. 53 N., R. 88 W.,  
Sec. 19, Lot 3.

T. 53 N., R. 89 W. (Unsurveyed), when surveyed will be Sec. 24, S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$ .

*Shell Falls Observation Point*

T. 53 N., R. 89 W. (Unsurveyed), when surveyed will be Sec. 7, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Shell Reservoir Campground*

T. 52 N., R. 88 W. (Unsurveyed), when surveyed will be Sec. 2, Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ .

*Sibley Lake Camp and Picnic Grounds*

T. 55 N., R. 88 W.,  
Sec. 3, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
Sec. 10, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 11, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ .

*Sitting Bull Campground*

T. 49 N., R. 86 W.,  
Sec. 21, E $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Sourdough Campground*

T. 50 N., R. 84 W.,  
Sec. 34, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*South Fork Campground*

T. 50 N., R. 84 W.,  
Sec. 27, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
W $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*South Tongue Recreation Area*

T. 56 N., R. 88 W.,  
Sec. 33, E $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ .

*Spear Lake Back Area Camp*

T. 52 N., R. 86 W.,  
Sec. 35, E $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*Tensleep Canyon Observation Point*

T. 48 N., R. 87 W.,  
Sec. 27, SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Tieback Campground*

T. 50 N., R. 84 W.,  
Sec. 23, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Twin Lakes Campground*

T. 54 N., R. 87 W.,  
Sec. 35, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Upper Doyle Campground*

T. 47 N., R. 85 W.,  
Sec. 12, Lot 15.

*Upper Lake Solitude Back Area Camp*

T. 51 N., R. 86 W.,  
Sec. 31, SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*West Goose Campground*

T. 54 N., R. 87 W.,  
Sec. 25, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*West Lake Campground*

T. 50 N., R. 86 W.,  
Sec. 33, S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

*West Tensleep Campground*

T. 49 N., R. 86 W.,  
Sec. 8, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Worland Boy Scout Organization Camp*

T. 49 N., R. 86 W.,  
Sec. 31, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

*Zipe Campground*

T. 49 N., R. 86 W.,  
Sec. 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

Containing 4,312.42 acres, more or less.

EUGENE L. SCHMIDT,  
Lands and Minerals Officer.

[F.R. Doc. 60-3821; Filed Apr. 27, 1960; 8:46 a.m.]

[Classification 506]

CALIFORNIA

Small Tract Amendment; Opening Order; Public Sale Followed by Continuing Sale of Unsold Tracts

APRIL 20, 1960.

1. Effective immediately, the words "lease and sale for residence purposes" in paragraph 1 of Federal Register Document 57-218, appearing on pages 245 and 246 of the issue for January 11, 1957, is hereby amended to read "title transfer".

2. Pursuant to authority delegated to me by the California State Supervisor, Bureau of Land Management, under Part II, Document 4, California State Office, dated November 19, 1954 (19 F.R. 7697), I hereby open the following described lands which were classified by Classification Order No. 506, dated January 4, 1957 (22 F.R. 245-246) for public sale under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a), as amended:

MOUNT DIABLO MERIDIAN, CALIFORNIA

T. 33 N., R. 9 W.,  
Secs. 8, 17 and 18: Tracts as described in paragraph 4 of this order.

Containing 127.50 acres.

3. The lands, being of gentle to steeply sloping terrain, are located generally southeast and adjacent to the town of Weaverville, California, which is the county seat of Trinity County. An unimproved road passes through sections 8 and 17. A reddish brown gravelly clay soil supports vegetation consisting of scrub oak, digger pine and manzanita with scattered patches of ponderosa pine. Water and power are available, as well as other services provided in the town of Weaverville.

4. The tracts are 2.50 or 5.00 acres in size and are described by aliquot parts of a subdivision. For reference purposes they will be designated as tracts 1 through 40. In addition to existing rights-of-way, the tracts will be subject to rights-of-way for access roads as shown on the map prepared by the Trinity County Road Department and recorded in the Official Records of Trinity County, Book 2 of Maps, Page 165, dated May 12, 1959. All mineral rights will be reserved to the United States.

T. 33 N., R. 9 W., MDM

Section 8

Tract No.	Acres	Description	Appraised value
1.....	2.5	SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$	\$565
2.....	2.5	NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	960
3.....	2.5	NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	615
4.....	2.5	NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	535
5.....	2.5	NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	410
6.....	2.5	SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	385
7.....	2.5	SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	555
8.....	2.5	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	875
9.....	2.5	SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	1,150
10.....	2.5	NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	1,095
11.....	2.5	NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	730
12.....	5	S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	805
13.....	5	W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	710
14.....	5	E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	525

Section 17

15.....	2.5	NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	\$325
16.....	2.5	NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	470
17.....	2.5	NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	500
18.....	2.5	NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	285
19.....	2.5	SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	775
20.....	2.5	SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	430
21.....	2.5	SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	360
22.....	2.5	SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	180
23.....	5	E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	400
24.....	5	W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	610
25.....	5	E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	685
26.....	5	W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	820
27.....	2.5	NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	575
28.....	2.5	NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	485
29.....	2.5	NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	385
30.....	2.5	NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	205
31.....	2.5	SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	205
32.....	2.5	SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	340
33.....	2.5	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	585
34.....	2.5	SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	795
35.....	5	W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	1,450

T. 33 N., R. 9 W., MDM—Continued  
Section 17—Continued

Tract No.	Acres	Description	Appraised value
36	5	E $\frac{1}{2}$ SW $\frac{1}{4}$ S $\frac{1}{2}$ W $\frac{1}{4}$ NW $\frac{1}{4}$	\$875
37	5	W $\frac{1}{2}$ SE $\frac{1}{4}$ S $\frac{1}{2}$ W $\frac{1}{4}$ NW $\frac{1}{4}$	515
38	5	E $\frac{1}{2}$ SE $\frac{1}{4}$ S $\frac{1}{2}$ W $\frac{1}{4}$ NW $\frac{1}{4}$	385

Section 18

39	2.5	SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	1,095
40	2.5	SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	775

5. The above described tracts will be sold at public auction to the general public at a public sale at the Land Office, Bureau of Land Management, Room 1000, California Fruit Building, Fourth and J Streets, Sacramento, California at 10:00 a.m. on May 31, 1960. If all the tracts are not sold by 3:00 p.m. on that day, the sale will be adjourned until 10:00 a.m. on the following Tuesday for resumption for another one-hour period and for adjournment at 11:00 a.m. to 10:00 a.m. on the succeeding Tuesday for additional one-hour periods until all tracts are sold or until the sale is otherwise terminated. Bids may be made personally by an individual or his agent at the sale or by mail. Bids sent by mail will be considered at a sale session only if received at the Sacramento Land Office prior to 10:00 a.m. of the day on which that session is held. At each sale session, those tracts will be offered for which timely filed sealed bids have been received or for which nominations are made by oral bidders present at the sale, to the extent that time permits their offer. Late filed sealed bids and sealed bids not reached for consideration at one session will be held for consideration at succeeding scheduled sessions.

No bid will be accepted if it is less than the appraised price of the tract. (See paragraph 4 of this order for the appraised values.)

6. Each sealed bid must clearly show: (a) The full name and mailing address of the bidder; (b) Classification Order No. 506; (c) the legal description of the tract for which the bid is made, described in accordance with paragraph 4 of this order. Each bid must be accompanied by the full amount of the bid in the form of a certified or cashier's check, post office money order, or bank draft made payable to the Bureau of Land Management. All unsuccessful bids will be promptly returned after the sale. Bids for separate tracts must be enclosed in separate envelopes but payment need only accompany the highest bid, providing all other bids designate the envelope containing the payment. Each envelope must be addressed to the Manager, Land Office, Bureau of Land Management, California Fruit Building, 10th Floor, 4th and J Streets, Sacramento, California, and carry in the lower left hand corner of its face the following information and nothing else: (a) "Bid for Small Tract"; (b) "Classification Order No. 506"; (c) the description of the tract for which the bid is made, described in accordance with paragraph 4 of this order. Sender's name

and return address should be shown on the reverse side of the envelope.

7. All valid applications filed prior to January 4, 1957 will be granted preference rights provided for by 43 CFR 257.5(a). Each tract at the 10:00 a.m. sale will be awarded to the highest bidder. No person will be awarded more than one tract, unless he is an agent acting for one or more persons.

8. Mr. Roy Wilson, P.O. Box 127, Weaverville, California, claims an equity in a frame house and other improvements on tract number 35, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 17. A reasonable period of time will be allowed within which the successful bidder may negotiate as to the disposition of the improvements. Mr. Wilson has the right either to remove any improvements that can be removed without substantial damage to the land or to sell them to the successful bidder. The successful bidder will be required to pay Mr. Wilson a price mutually agreed upon with him for any improvements which he decides to leave on the land and which are of value to the successful bidder. Proof of such agreement and payment must be filed within a reasonable time with the Land Office Manager, Bureau of Land Management, Room 1000, California Fruit Building, 4th and J Streets, Sacramento, California.

9. Upon a showing of inability to agree, the Bureau of Land Management will determine the fair and reasonable value of the improvements to be left upon the land for which compensation must be paid. Failure of the successful bidder within a reasonable time to file proof of full compensation to Mr. Wilson, as herein provided, will lead to vacation of the sale and the return of the high bid.

10. All inquiries concerning these lands should be addressed to the Manager, Land Office, Bureau of Land Management, 10th Floor, California Fruit Building, 4th and J Streets, Sacramento 14, California.

R. G. SPORLEDER,  
Officer - in - Charge, Northern  
Field Group, Sacramento,  
California.

[F.R. Doc. 60-3822; Filed, Apr. 27, 1960;  
8:46 a.m.]

## DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service  
NORTH MISSISSIPPI SALES CO. ET AL.

### Depositing of Stockyards

It has been ascertained, and notice is hereby given, that the North Mississippi Sales Company, Grenada, Mississippi, originally posted on January 14, 1959, as being subject to the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), and the Lipscomb Commission Company, Senatobia, Mississippi, originally posted on January 13, 1959, as being subject to said act, no longer come within the definition of a stockyard under the act for the reason that they are no longer being conducted or operated as public markets, and are, therefore, no

longer subject to the provisions of the act.

Notice or other public procedure has not preceded promulgation of the foregoing rule since it is found that the giving of such notice would prevent the due and timely administration of the Packers and Stockyards Act and would, therefore, be impracticable and contrary to the public interest. There is no legal warrant or justification for not depositing promptly a stockyard which is no longer within the definition of that term contained in said act.

The foregoing is in the nature of a rule granting an exemption or relieving a restriction and, therefore, may be made effective in less than 30 days after publication in the FEDERAL REGISTER. This notice shall become effective upon publication in the FEDERAL REGISTER.

(42 Stat. 159, as amended and supplemented;  
7 U.S.C. 181 et seq.)

Done at Washington, D.C., this 22d day of April 1960.

DONALD L. BOWMAN,  
Chief, Packers and Stockyards  
Branch, Livestock Division,  
Agricultural Marketing Service.

[F.R. Doc. 60-3830; Filed, Apr. 27, 1960;  
8:46 a.m.]

### Commodity Credit Corporation PRICE SUPPORT LOAN PROGRAMS Announcement of Interest Rate, 1960 Crop

Commodity Credit Corporation announces rate of interest applicable to 1960 crop price support loan programs as follows:

(1) 1960 crop nonrecourse price support loans for all commodities shall bear interest at the per annum rate of 3 $\frac{1}{2}$  percent from the date of disbursement of the loan:

(2) 1960 crop recourse price support advances on commodities declared by the Secretary to be in surplus supply and charges added thereto shall bear interest at the per annum rate of 6 percent from the date of disbursement of the advance and added charges, except that if any amounts are repaid on or before the final date established by CCC for repayment of nonrecourse warehouse storage loans for the same commodity and State the rate of interest on such amounts shall be at the per annum rate of 3 $\frac{1}{2}$  percent from the date of disbursement.

(3) Notwithstanding the foregoing, where there has been a willful misrepresentation in obtaining a price support advance, such advance and related charges shall bear interest at the per annum rate of 6 percent from the date of disbursement thereof.

Issued this 25th day of April 1960.

CLARENCE D. PALMBY,  
Acting Executive Vice President,  
Commodity Credit Corporation.

[F.R. Doc. 60-3845; Filed, Apr. 27, 1960;  
8:49 a.m.]

# ATOMIC ENERGY COMMISSION

[Docket No. 50-154]

**MARTIN CO.**

## Notice of Proposed Issuance of Construction Permit

Please take notice that the Atomic Energy Commission proposes to issue a construction permit, substantially as set forth below, authorizing The Martin Company to construct a liquid fluidized bed reactor critical experiments facility at its site near Middle River, Maryland, unless within fifteen days after the filing of this notice with the Office of the Federal Register a request for a formal hearing is filed with the Commission as provided by the Commission's rules of practice (10 CFR Part 2). Such request should be addressed to the Office of the Secretary at the AEC's office in Germantown, Maryland, or the AEC's Public Document Room, 1717 H Street NW., Washington, D.C.

For further details see (1) the application dated December 30, 1959, submitted by The Martin Company and amendment thereto dated February 17, 1960, and (2) a hazards analysis prepared by the Hazards Evaluation Branch, Division of Licensing and Regulation, both on file at the AEC's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of item (2) above may be obtained at the AEC's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 21st day of April 1960.

For the Atomic Energy Commission.

**R. L. KIRK,**  
Deputy Director, Division of  
Licensing and Regulation.

### PROPOSED CONSTRUCTION PERMIT

1. By application dated December 30, 1959, and amendment thereto dated February 17, 1960, (hereinafter together referred to as "the application"), The Martin Company requested a Class 104 license, defined in § 50.21 of Part 50, "Licensing of Production and Utilization Facilities", Title 10, Chapter I, CFR, authorizing construction and operation on its site near Middle River, Maryland, of a liquid fluidized bed reactor critical experiments facility (hereinafter referred to as "the facility").

2. The Atomic Energy Commission (hereinafter referred to as "the Commission") finds that:

A. The facility will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter I, CFR, Part 50, "Licensing of Production and Utilization Facilities".

B. The facility will be used in the conduct of research and development activities of the types specified in section 81 of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

C. The Martin Company is financially qualified to construct and operate the facility in accordance with the regulations contained in Title 10, Chapter I, CFR, to assume financial responsibility for the payment of Commission charges for special nuclear material and to undertake and carry out the proposed use of such material for a reasonable period of time.

D. The Martin Company is technically qualified to design and construct the facility.

E. The Martin Company has submitted sufficient information to provide reasonable assurance that a facility of the general type proposed can be constructed and operated at the proposed location without undue risk to the health and safety of the public, and that omitted information necessary to complete the application will be supplied; and

F. The issuance of a construction permit to The Martin Company will not be inimical to the common defense and security or to the health and safety of the public.

3. Pursuant to the Act and Title 10, Chapter I, CFR, Part 50, "Licensing of Production and Utilization Facilities", the Commission hereby issues a construction permit to The Martin Company to construct the facility in accordance with the application. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

A. The earliest completion date of the facility is May 11, 1960. The latest date for completion of the facility is August 1, 1960. The term "completion date" as used herein, means the date on which construction of the facility is completed except for the introduction of the fuel material.

B. The facility shall be constructed and located at the location near Middle River, Maryland, specified in the application.

4. This permit is provisional to the extent that a license authorizing operation of the facility will not be issued by the Commission unless The Martin Company has submitted to the Commission, by amendment of the application, additional data to complete the hazards analysis of operating the proposed facility, including detailed operating procedures, and the Commission has found that the final design provides reasonable assurance that the health and safety of the public will not be endangered by operation of the reactor in accordance with the specified procedures.

5. Upon completion (as defined in paragraph "3.A." above) of the construction of the facility in accordance with the terms and conditions of this permit, upon the filing of the additional information needed to bring the original application up-to-date, and upon finding that the facility authorized has been constructed and will operate in conformity with the application and the provisions of the Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission will issue a Class 104 license to The Martin Company pursuant to section 104c of the Act, which license shall expire on February 15, 1961.

Date of Issuance:

For the Atomic Energy Commission.

[F.R. Doc. 60-3814; Filed, Apr. 27, 1960; 8:45 a.m.]

## FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13308 etc.; FCC 60M-712]

**BELOIT BROADCASTERS, INC.**  
**(WBEL) ET AL.**

### Order Continuing Hearing

In re applications of Beloit Broadcasters, Incorporated (WBEL), South Beloit, Illinois, Docket No. 13308, File No. BP-

12101; Samuel A. Burk and Ralph J. Bitzer, d/b as Washington County Broadcasting Company, Washington, Iowa, Docket No. 13309, File No. BP-12118; Lloyd C. McKenney, tr/as Iola Broadcasting Company, Iola, Kansas, Docket No. 13311, File No. BP-12785; Heart of America Broadcasters, Inc. (KUDL), Kansas City, Missouri, Docket No. 13312, File No. BP-12879; Washington Home and Farm Radio, Inc., Washington, Iowa, Docket No. 13314, File No. BP-13159; for construction permits.

The Hearing Examiner having under consideration an informal request from counsel for Washington County Broadcasting Company, Iola Broadcasting Company and KWK Radio, Inc., for a continuance of the hearing on the comparative issues;

It appearing that such hearing is now scheduled for May 5 and that other parties in this proceeding have expressed themselves as not being directly interested in the comparative issues; and

It further appearing that there is no objection from the other parties and that the requested continuance would not postpone the ultimate completion of this proceeding;

It is ordered, This 21st day of April 1960, that the hearing is continued from May 5 to June 2, 1960.

Released: April 25, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] BEN F. WAPLE,  
Acting Secretary.

[F.R. Doc. 60-3842; Filed, Apr. 27, 1960; 8:48 a.m.]

[Docket No. 12795, etc.; FCC 60-411]

**ROLLINS BROADCASTING, INC.**  
**(WBEE) ET AL.**

### Memorandum Opinion and Order Amending Issues

In re applications of Rollins Broadcasting, Inc. (WBEE), Harvey, Illinois, et al., Docket No. 12795, File No. BP-12074, et al., for construction permits.

1. The Commission has before it for consideration (1) a petition for reconsideration, filed December 29, 1959, by Grundy Broadcasting Company; (2) a statement in support of the petition, filed by the Commission's Broadcast Bureau on January 8, 1960; and (3) other matters of record herein.

2. By Memorandum Opinion and Order released December 18, 1959 (FCC 59-1258) the issues in the above-captioned proceedings were enlarged to include an issue (Number 21) as to whether the Illinois communities of Harvey, Evanston, Des Plaines, and Morris should be treated as separate communities for purposes of section 307(b) of the Communications Act of 1934, as amended. Grundy Broadcasting, the applicant for Morris, now petitions to have Morris deleted from that issue. In support of its petition, Grundy asserts that although the other communities included in Issue 21 are suburbs of Chicago and located in Cook County, Morris is located some 55 miles from downtown Chicago and is outside the Chicago

Standard Metropolitan and Urbanized Areas. Grundy further submits that each of the other communities lies outside its proposed 0.5 mv/m contour and that Morris is outside the 0.5 mv/m contour of the other applicants. Thus, concludes Grundy, the reasons for the addition of Issue 21—i.e., that the communities are located near Chicago and that the respective applicants propose to serve the same areas and populations—do not apply to the Morris proposal.

3. In view of the foregoing considerations, we agree that Morris should be deleted from Issue 21. We also note that the Evanston applicant is no longer in these proceedings, its application having been dismissed without prejudice by the Order of the Chief Hearing Examiner (FCC 60M-217), and thus Evanston will also be deleted from Issue 21.

Accordingly, it is ordered, This 20th day of April 1960, That the petition for reconsideration, filed December 29, 1959, by Grundy Broadcasting Company is granted. It is further ordered, That Issue Number 21, added in the Order of December 18, 1959 (FCC 59-1258), is revised to read as follows:

21. In light of their location and urban and industrial characteristics, and other relevant factors,

(a) to determine whether Harvey and Des Plaines, Illinois, or either of them, may be considered as separate communities for the purposes of section 307(b) of the Communications Act of 1934, as amended; and,

(b) should it be found that either or both of them may not be so considered, to determine the community in which each is to be included for section 307(b) purposes.

Released: April 25, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] BEN F. WAPLE,  
Acting Secretary.

[F.R. Doc. 60-3843; Filed, Apr. 27, 1960;  
8:48 a.m.]

[Docket Nos. 13442-13444; FCC 60M-714]

**WASHINGTON STATE UNIVERSITY  
ET AL.**

**Order Setting Prehearing Conference**

In re applications of Washington State University, Pullman, Washington, for renewal of license of station KWSC (& Aux.), Docket No. 13442, File No. BR-58; for modification of license of station KWSC, Docket No. 13443, File No. BML-1789; The First Presbyterian Church of Seattle, Washington, Seattle, Washington, Docket No. 13444, File No. BR-64; for renewal of license of station KTW.

It is ordered, This 22d day of April 1960, on the Examiner's own motion, that all parties, or their counsel, who desire to participate in the above-captioned proceeding are directed to appear for a prehearing conference pursuant to the provisions of § 1.111 of the Commission's rules, at the offices of the Commission

in Washington, D.C. at 10:00 a.m., April 28, 1960.

Released: April 22, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] BEN F. WAPLE,  
Acting Secretary.

[F.R. Doc. 60-3844; Filed, Apr. 27, 1960;  
8:48 a.m.]

**SECURITIES AND EXCHANGE  
COMMISSION**

[File No. 24C-2189]

**TRI-STATE PETROLEUM CORP.**

**Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing**

APRIL 22, 1960.

I. Tri-State Petroleum Corporation (issuer), a Delaware corporation, 1403 G. Daniel Baldwin Building, Erie, Pennsylvania, filed with the Commission on November 12, 1959, a notification on Form 1-A and an offering circular relating to a proposed offering of 199,900 shares of its 5 cents par value common stock at \$1.50 per share for an aggregate of \$299,850 for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission has reasonable cause to believe that:

A. An exemption under Regulation A is unavailable in that the aggregate offering price of the securities which have been and are to be offered exceed the \$300,000 ceiling limitation imposed by Rule 254.

B. The terms and conditions of Regulation A have not been complied with in that:

1. The notification fails to disclose that Springfield Gas and Oil Company is a predecessor of the issuer as required by Item 2 thereof.

2. The notification fails to disclose the issuance and sale of unregistered securities by a predecessor as required by Item 9 thereof.

C. The notification and offering circular contain untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, particularly with respect to:

1. The failure to disclose royalty interests in the issuer's property held by counsel for the issuer and a predecessor of the issuer.

2. The failure to disclose material transactions between the issuer and its officers, directors and promoters.

3. The failure to disclose the relationship between the issuer and its affiliates and predecessor.

D. The offering would be and is being made in violation of section 17 of the Securities Act of 1933, as amended.

III. It is ordered, Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days herefrom; that within twenty days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and place for said hearing will be promptly given by the Commission. If no hearing is requested and none is ordered by the Commission, the order shall become permanent on the thirtieth day after its entry and shall remain in effect unless it is modified or vacated by the Commission.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F.R. Doc. 60-3823; Filed, Apr. 27, 1960;  
8:46 a.m.]

**SMALL BUSINESS ADMINISTRATION**

**PRODUCTION RESEARCH ENGINEERING POOL CORPORATION**

**Notice of Additional Companies Accepting Requests To Participate in a Small Business Defense Production Pool**

Pursuant to section 11 of the Small Business Act (P.L. 85-536), notice is hereby given that Maple Precision Engineering Co., Hawthorne, California, and Rex Precision Products, Inc., Culver City, California, have accepted the requests to participate in the operations of the Production Research Engineering Pool Corporation. The original list of participating members in the Pool was published in the FEDERAL REGISTER (24 F.R. 9251, November 13, 1959).

Dated: April 21, 1960.

PHILIP MCCALLUM,  
Administrator.

[F.R. Doc. 60-3824; Filed, Apr. 27, 1960;  
8:46 a.m.]

[Declaration of Disaster Area 264]

**TEXAS****Declaration of Disaster Area**

Whereas it has been reported that during the month of April 1960 because of the effects of certain disasters, damage resulted to residences and business property located in certain areas in the State of Texas;

Whereas the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act.

Now therefore as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b) of the Small Business Act may be received and considered by the Offices below indicated from persons or firms whose property situated in the following County (including any areas adjacent to said County) suffered damage or destruction as a result of the catastrophe hereinafter referred to:

County: Castro (tornado occurring on or about April 12, 1960).

Offices: Small Business Administration Regional Office, Fidelity Building, 1000 Main Street, Dallas 2, Tex. Small Business Administration Branch Office, Veterans Administration Building, Room 212, 1616 19th Street, Lubbock, Tex.

2. No special field offices will be established at this time.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to October 31, 1960.

Dated: April 14, 1960.

PHILIP McCALLUM,  
Administrator.

[F.R. Doc. 60-3828; Filed, Apr. 27, 1960; 8:46 a.m.]

[Declaration of Disaster Area 266]

**SOUTH DAKOTA****Declaration of Disaster Area**

Whereas it has been reported that during the month of April 1960, because of the effects of certain disasters, damage resulted to residences and business property located in certain areas in the State of South Dakota;

Whereas the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act.

Now therefore as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b) of the Small Business Act may be received and

considered by the Office below indicated from persons or firms whose property situated in the following County (including any areas adjacent to said County) suffered damage or destruction as a result of the catastrophe hereinafter referred to:

County: Union (flood occurring on or about April 2, 1960).

Office: Small Business Administration Regional Office, Lewis Building, 603 Second Avenue, South, Minneapolis 2, Minn.

2. No special field offices will be established at this time.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to October 31, 1960.

Dated: April 15, 1960.

PHILIP McCALLUM,  
Administrator.

[F.R. Doc. 60-3827; Filed, Apr. 27, 1960; 8:46 a.m.]

[Declaration of Disaster Area 250, Amdt. 1]

**MASSACHUSETTS****Amendment to Declaration of Disaster Area**

Declaration of Disaster Area 250, dated January 2, 1960, for the State of Massachusetts, is hereby amended as follows:

By including in paragraph 1 thereof Essex County.

(Winds and high tides occurring on or about December 30, 1959.)

Dated: April 6, 1960.

PHILIP McCALLUM,  
Administrator.

[F.R. Doc. 60-3825; Filed, Apr. 27, 1960; 8:46 a.m.]

**DEPARTMENT OF JUSTICE****Office of Alien Property****TOMAS ALFONSO GASTELU ET AL.****Intention To Return Vested Property**

Pursuant to section 32(f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservation expenses:

*Claimant, Claim No., Property, and Location*

Tomas Alfonso Gastelu, Esmeraldas, Ecuador; \$1,006.80 in the Treasury of the United States.

Rose Gastelu Dumarest, 1600 Dorchester Road, Brooklyn, N.Y.; \$1,006.80 in the Treasury of the United States.

Marla Gastelu, 46 West 91st Street, New York, N.Y.; \$1,006.80 in the Treasury of the United States.

Alejandro Gastelu, Hotel Elite, Place Longemalle, Geneva, Switzerland; \$1,006.80 in the Treasury of the United States.

Delfina Gastelu, Casella 4740, Guayaquil, Ecuador; \$1,006.80 in the Treasury of the United States.

Charles Albert Stroer, 2509 Marlon Avenue, Bronx 58, N.Y.; \$503.41 in the Treasury of the United States.

Fernand Christian Stroer, 14 Avenue Ed. Lacomble, Etterbeck, Brussels, Belgium; \$503.41 in the Treasury of the United States. Vesting Order No. 5048; Claim No. 43921.

Executed at Washington, D.C., on April 22, 1960.

For the Attorney General.

[SEAL]

PAUL V. MYRON,  
Deputy Director,  
Office of Alien Property.

[F.R. Doc. 60-3835; Filed, Apr. 27, 1960; 8:47 a.m.]

**DEPARTMENT OF COMMERCE****Federal Maritime Board****CIA SURAMERICANA DE VAPORES AND BULL-INSULAR LINE****Notice of Agreement Filed for Approval**

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U.S.C. 814):

Agreement No. 8452, between Cia Suramericana de Vapores and Bull-Insular Line, covers the transportation of general cargo under through bills of lading from Chile to Puerto Rico, with transshipment at New York, Baltimore, or Philadelphia.

Interested parties may inspect this agreement and obtain copies thereof at the Office of Regulations, Federal Maritime Board, Washington, D.C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: April 25, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,  
Secretary.

[F.R. Doc. 60-3837; Filed, Apr. 27, 1960; 8:47 a.m.]

[Docket No. 869]

**PACIFIC COAST-HAWAII AND ATLANTIC/GULF-HAWAII; GENERAL INCREASES IN RATES****Notice of Supplemental Order**

Notice is hereby given that the Federal Maritime Board has entered, on April 14, 1960, the following Twenty-Ninth Supplemental Order to the original order in this proceeding, dated September 10, 1959, which appeared in the FEDERAL REGISTER of September 23, 1959 (24 F.R. 7656):

It appearing that, by the Original Order, as amended, in Docket No. 869 served September 11, 1959, the Board instituted an investigation into and concerning the reasonableness and lawfulness of the rates, charges, regulations,

and practices stated in certain schedules between Pacific Coast ports and Hawaii as well as between Atlantic and Gulf ports and Hawaii; and

It further appearing that said Original Order, as amended January 7, 1960, provides in part that no change shall be made in rates or other matters which were changed by said tariff schedules, until this investigation has been terminated by final order of the Board, unless otherwise authorized by special permission of the Board; and

It further appearing that on March 24, 1960, Atlantic and Gulf/Hawaii Conference filed Application No. 16 seeking authority to publish, post and file, on 30 days' notice, certain consecutively numbered revised pages to F.M.B.-F. No. 20 in order to make the following changes therein:

1. Increase the Group A and Group B rates from \$26.30 per ton W/M, to \$28.96 per ton W/M, on the following:

Automobile Trucks, Truck Chassis & Trailers unboxed, without mechanical equipment mounted thereon.

Automotive Cane Wagons. Automotive Dump Trucks.

Automobiles, Passenger, New, Unboxed. Automobile Bodies, Boxed or Crated.

2. Increase the Group A rate from \$35.40 to \$38.06 per ton W/M, and the Group B rate from \$33.10 to \$35.76 per ton W/M, on the following:

Automobile Trucks, Truck Chassis & Trailers, unboxed, with mechanical equipment mounted thereon.

Automobile Tank Trucks with mechanical equipment mounted thereon.

Automobile Trucks, with concrete mixer mounted thereon.

Traveloaders, Unboxed.

3. Increase the Group A and Group B rates from \$28.00 per ton W/M, to \$30.66 per ton W/M on the following:

Automobiles, Passenger, Used, Unboxed.

4. Increase the Group A and Group B rates from \$32.55 per ton W/M, to \$35.21 per ton W/M on the following:

Auto Parts and Accessories.

5. Increase the Group A and Group B rates from \$28.55 per ton W/M, to \$31.21 per ton W/M, on the following:

Buses, Motor or Trolley, on or under deck, Ship's option.

6. Increase the Group A rate from \$36.55 to \$39.21 per ton W/M, and the Group B rate from \$33.70 to \$36.36 per ton W/M, on the following:

Lumber Carriers and Parts.

7. Increase the Group A and Group B rates from \$28.25 per ton W/M, to \$30.16 per ton W/M, on the following:

Household Goods and Personal Effects, N.O.S. Released to valuation of 10 cents per pound, packed in containers or lift vans, not exceeding 220 cubic feet each, suitable for mechanical fork lift handling and which may be transported on deck, charges prepaid or guaranteed \* \* \*

It further appearing that the Board having found good cause therefor has on April 14, 1960, granted special permission to publish such changes on not less than 30 days' notice under Special Permission

No. 3825; such special permission to be without prejudice to the right of the Board to suspend such schedules within the notice period, either upon receipt of protest thereto or upon its own motion.

*It is ordered.* That the Original Order herein is modified to the extent necessary to permit the publication and filing of the changes covered by such Special Permission No. 3825; and

*It is further ordered.* That any rates, charges, regulations and practices set forth in the schedules filed pursuant to such special permission shall be subject to the investigation and hearing herein to the same extent as the rates, charges, regulations and practices under schedules cancelled thereby, and that the special permission granted hereby shall be without prejudice to the Board's determination as to the lawfulness of the rates established pursuant hereto; and

*It is further ordered.* That copies of this Order shall be filed with said tariff schedule in the Office of the Federal Maritime Board, and

*It is further ordered.* That a copy of this order shall be forthwith served upon all respondents herein, and upon all protestants herein; and that this order be published in the FEDERAL REGISTER.

Dated: April 25, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,  
Secretary.

[F.R. Doc. 60-3838; Filed, Apr. 27, 1960; 8:47 a.m.]

Office of the Secretary  
JOHN P. GLEASON

Report of Appointment and Statement of Financial Interests

Report of appointment and statement of financial interests required by section 710(b) (6) of the Defense Production Act of 1950, as amended.

Report of Appointment

1. Name of appointee: Mr. John P. Gleason.

2. Employing agency: Department of Commerce, Business and Defense Services Administration.

3. Date of Appointment: April 7, 1960.

4. Title of position: Assistant Director for Mobilization Planning, Containers & Packaging Div.

5. Name of private employer: Sales Manager—Electronic Products Division, Owens-Illinois-Kimble Glass Company, Toledo, Ohio.

CARLTON HAYWARD,  
Director of Personnel.

MARCH 29, 1960.

Statement of Financial Interests

6. Names of any corporations of which the appointee is an officer or director or within 60 days preceding appointment has been an officer or director, or in which the appointee owns or within 60 days preceding appointment has owned any stocks, bonds, or other financial interests; any partnerships in which the appointee is, or within 60 days preceding

appointment was, a partner; and any other businesses in which the appointee owns, or within 60 days preceding appointment has owned, any similar interest.

Owens-Illinois-Kimble Glass Company.  
Bank Deposits.

JOHN P. GLEASON.

APRIL 20, 1960.

[F.R. Doc. 60-3833; Filed, Apr. 27, 1960; 8:47 a.m.]

GEORGE L. WILSON

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the last six months.

A. Deletions: No change.  
B. Additions: No change.

This statement is made as of April 20, 1960.

Dated: April 20, 1960.

GEORGE L. WILSON.

[F.R. Doc. 60-3834; Filed, Apr. 27, 1960; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RI60-268 etc.]

TEXACO INC., ET AL.

Order Providing for Hearing on and Suspension of Proposed Changes in Rates, Terminating Proceeding, Permitting Substitution of Rate<sup>1</sup>

APRIL 20, 1960.

Texaco Inc., Docket No. RI60-268; Texaco Seaboard Inc., Docket No. RI60-269; Humble Oil & Refining Company, Docket No. RI60-270; Pan American Petroleum Corporation, Docket No. RI60-271; John L. Cox (Operator), et al., Docket No. RI60-272; Seneca Oil Company (Operator), et al., Docket No. RI 60-273; Union Oil Company of California, Docket No. RI60-274; Sun Oil Company, Docket No. RI60-275; J. Wes Johnson d/b/a Tower Oil & Gas Co. of Texas, Docket No. RI60-276; Phillips Petroleum Company, Docket No. RI60-277; Continental Oil Company, Docket No. G-20197; Three States Natural Gas Company, Docket Nos. RI60-278, G-17148; Sun Oil Company (Operator), et al., Docket No. RI60-279; Monsanto Chemical Company, Docket No. RI60-280.

The above-named Respondents have tendered for filing proposed changes in presently effective rate schedules for sales of natural gas, subject to the jurisdiction of the Commission. The proposed changes are as follows:

<sup>1</sup> This order does not provide for the consolidation for hearing or disposition of the several matters covered herein, nor should it be so construed.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Notice of change dated—	Date tendered	Effective date unless suspended	Rate suspended until—	Cents per Mcf <sup>2</sup>		Rate in effect subject to refund in Docket Nos.
									Rate in effect	Proposed increased rate	
RI60-268...	Texaco Inc.....	56	4	Tennessee Gas Transmission Co., La Reforma Field, Starr County, Tex.	Undated	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19897
RI60-268...	.....do.....	59	7	Tennessee Gas Transmission Co., Government Wells Field, Duval County, Tex.	.....do.....	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19897
RI60-268...	.....do.....	193	2	Tennessee Gas Transmission Co., Seeligson Field, Jim Wells County, Tex.	.....do.....	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19897
RI60-269...	Texaco Seaboard Inc..	4	6	Tennessee Gas Transmission Co., Plymouth Field, San Patricio County, Tex.	.....do.....	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19898
RI60-269...	.....do.....	5	6	Tennessee Gas Transmission Co., Spartan Field, San Patricio County, Tex.	.....do.....	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19898
RI60-269...	.....do.....	7	6	Tennessee Gas Transmission Co., Seven Sisters Field, Duval County, Tex.	.....do.....	4-1-60	5-2-60	10-2-60	15.0952	17.24347	G-19898
RI60-270...	Humble Oil & Refining Co.	171	8	Lone Star Gas Co., Katie Field, Garvin County, Okla.	3-18-60	3-24-60	5-24-60	10-24-60	8.0	12.35	G-20479 <sup>4</sup>
RI60-270...	.....do.....	183	12	Lone Star Gas Co., Golden Trend and Velma Fields, Garvin and Stephens Counties, Okla.	3-18-60	3-24-60	4-24-60	9-24-60	11.0	16.8	-----
RI60-271...	Pan American Petroleum Corp.	134	3	Panhandle Eastern Pipe Line Co., Southeast Liberal Field, Seward County, Kans.	3-24-60	3-28-60	4-28-60	9-28-60	7.146	15.0	-----
RI60-272...	John L. Cox (Operator), et al.	3	12	El Paso Natural Gas Co., Spraberry Field, Midland and Glasscock Counties, Tex.	3-25-60	3-28-60	4-28-60	9-28-60	11.1056	17.2295	-----
RI60-273...	Seneca Oil Co. (Operator), et al.	1	1	Cities Service Gas Co., Cherryvale Field, Grant County, Okla.	3-18-60	3-28-60	4-28-60	9-28-60	12.0	13.0	-----
RI60-274...	Union Oil Co. of California.	23	3	Natural Gas Pipeline of America, Camrick Southeast Field, Beaver County, Okla.	3-24-60	3-28-60	5-8-60	10-8-60	16.2	16.4	G-18412
RI60-274...	.....do.....	16	8	.....do.....	3-24-60	3-28-60	5-10-60	10-10-60	16.6	16.8	G-18412
RI60-276...	J. Wes Johnson (l/b/a Tower Oil & Gas Co. of Texas.	1	5	El Paso Natural Gas Co., Spraberry Field, Upton and Reagan Counties, Tex.	Undated	3-30-60	4-30-60	9-30-60	11.0	17.2295	-----
RI60-276...	.....do.....	3	2	El Paso Natural Gas Co., Spraberry Field, Reagan County, Tex.	.....do.....	3-30-60	4-30-60	9-30-60	11.0	17.2295	-----
RI60-276...	.....do.....	2	6	El Paso Natural Gas Co., Spraberry Field, Upton County, Tex.	.....do.....	3-30-60	4-30-60	9-30-60	11.0	17.2295	-----
RI60-277...	Phillips Petroleum Co.	58	7	Northern Natural Gas Co., West Panhandle Field, Carson County, Tex.	.....do.....	3-31-60	5-1-60	10-1-60	8.0512	12.0768	-----
G-20197...	Continental Oil Co....	143	1 to 1	United Gas Pipe Line Co., Maxie Field, Forrest County, Miss.	3-28-60	3-31-60	4-26-60	( <sup>5</sup> )	24.0	23.0	-----
RI60-278...	Three States Natural Gas Co.	20	3	El Paso Natural Gas Co., Jalmat Field, Lea County, N. Mex.	3-24-60	3-29-60	4-29-60	9-29-60	9.5	15.5	-----
RI60-279...	Sun Oil Co. (Operator), et al.	9	10	Tennessee Gas Transmission Co., New Government Wells Field, Duval County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	Sun Oil Co.....	104	3	Tennessee Gas Transmission Co., Seeligson Field, Jim Wells County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	.....do.....	10	5	Tennessee Gas Transmission Co., Brayton Field, Nueces County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	.....do.....	11	4	Tennessee Gas Transmission Co., Gyp. Hill Field, Brooks County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	.....do.....	15	5	Tennessee Gas Transmission Co., Edinburg Field, Hidalgo County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	.....do.....	67	5	Tennessee Gas Transmission Co., San Salvador Field, Hidalgo County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-275...	.....do.....	70	3	Tennessee Gas Transmission Co., West Sullivan Field, Starr County, Tex.	3-24-60	3-29-60	4-29-60	9-29-60	13.125	17.24347	-----
RI60-280...	Monsanto Chemical Co.	8	2	Tennessee Gas Transmission Co., Sullivan City Field, Starr and Hidalgo Counties, Tex.	Undated	3-21-60	4-21-60	9-21-60	12.12268	15.0952	-----

<sup>1</sup> The stated effective dates are those requested by respondents, or the first day after the expiration of statutory notice.

<sup>2</sup> Pressure base is 14.65 psia.

<sup>3</sup> Or if the following effective dates are later, then until the proposed increased rate of either Warren Petroleum Corp. in Docket No. G-20478 or Kerr-McGee Oil Industries, Inc. in Docket No. G-20479 is made effective in the manner prescribed by the Natural Gas Act.

<sup>4</sup> Suspend until 5-24-60.

<sup>5</sup> As hereinafter ordered.

<sup>6</sup> Rate suspended in Docket No. G-20197 until 4-26-60.

<sup>7</sup> Pressure base is 15.025 psia.

Texaco Inc. and Texaco Seaboard Inc. in support of their proposed favored-nation rate increases cite the contract provisions and the triggering rate. They state that the increased rates are necessary to compensate sellers for increasing costs of development, operation, and maintenance, citing U.S. Bureau of Labor Statistics reports showing increases in wages and wholesale prices. Further, they state that the increases will result in just and reasonable rates.

Humble Oil & Refining Company (Humble) in support of its proposed favored-nation rate increases cites the contract provisions and the triggering rate. Humble states that not only would suspension of the proposed increased

rate deprive it of due process and unjustly enrich its purchaser, Lone Star Gas Co., but also would abrogate its contracts. Humble further states that the contracts were entered into in good faith and at arm's-length bargaining.

Pan American Petroleum Corporation (Pan American) in support of its proposed renegotiated rate increase submitted copies of its renegotiated agreement and states that the proposed increased rate results from a contract executed at arm's-length. Pan American also states that the proposed increased rate is just and reasonable and below stipulated prices for other sales in the same area.

John L. Cox (Operator), et al. in support of its proposed renegotiated rate increase submitted a contract amendment dated March 17, 1960.

Seneca Oil Company (Operator), et al., in support of its proposed periodic rate increase cites the contract provisions; which were stated to be executed at arm's length, and states that the price escalation clause was an important consideration in its entering into the contract and that denial of the increased rate would destroy incentive for further exploration.

Union Oil Company of California (Union) in support of its proposed periodic rate increases cites the contract

provisions which were stated to be fair and reasonable and executed at arm's length. Union further states that the proposed increased rates do not exceed the value of gas in the area.

Sun Oil Company (Sun) and Sun Oil Company (Operator), et al., (Sun) in support of their favored-nation increases cite the favored-nation provisions of their contracts and state that the contracts were executed at arm's length. Sun also states that the pricing provisions were an integral part of the consideration for entering into the contracts and that the proposed rates do not exceed the prevailing price in the area.

J. Wes Johnson d/b/a Tower Oil & Gas Company of Texas (Tower) and Three States Natural Gas Company (Three States) in support of their proposed renegotiated increased rates state that they agreed to eliminate the favored-nation clauses from their contracts in consideration of the increased rates. Tower additionally states that rates similar to those proposed were authorized in Transwestern Pipeline Company, et al., F.P.C. Opinion No. 328. Three States previously filed for an increased rate of 10.5 cents per Mcf which was suspended until May 7, 1959, or until such time as it were to be made effective subject to refund in Docket No. G-17148. As no motion to place the above proposed increased rate into effect was filed, the proposed increased rate suspended herein renders the proceeding in Docket No. G-17148 moot.

Phillips Petroleum Company in support of its proposed renegotiated rate increase states that the contract was negotiated at arm's length and that the proposed rate is in line with prevailing prices in the area.

Continental Oil Company (Continental) proposes a reduction of 1.0¢ per Mcf in a rate filed on October 26, 1959, and suspended in Docket No. G-20197 until April 26, 1960, and until such further time as it may be made effective in the manner prescribed by the Natural Gas Act. The proposed reduction is based upon a letter of agreement dated February 4, 1960, between Continental and United Gas Pipe Line Company, and Continental seeks to have the reduced rate filed in lieu of the rate filed in Docket No. G-20197.

Monsanto Chemical Company (Monsanto) in support of its proposed re-determined rate increase cites the contract provisions and submitted cost data for the year 1958. Monsanto additionally relies upon the cost data submitted in evidence in the proceeding in Docket No. G-9681, and upon Commission staff's investigations in the proceeding in Docket No. G-18318.

The increased rates and charges so proposed have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential or otherwise unlawful.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforce-

ment of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the several proposed changes and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

(2) The proceeding in Docket No. G-17148 should be terminated for being moot.

(3) Continental Oil Company should be permitted to file the above-designated supplement as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the several proposed changes in rates and charges contained in the above-designated supplements.

(B) Pending hearings and decisions thereon, each of the above-designated supplements are hereby suspended and the use thereof deferred until the date indicated in the above "Rate Suspended Until" column, plus footnotes thereto, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(D) The proceeding in Docket No. G-17148 is hereby terminated.

(E) The above-designated reduction in the rate previously filed by Continental Oil Company in Docket No. G-20197 is hereby accepted for filing in said Docket No. without, in any manner, modifying the proceeding or orders therein, and being subject to all orders or rulings issued or to be issued in Docket No. G-20197.

(F) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the Rules of Practice and Procedure (18 CFR 1.8 and 1.37(f)) on or before April 4, 1960.

By the Commission (Commissioner Kline dissenting).

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 60-3758; Filed, Apr. 27, 1960; 8:45 a.m.]

## INTERSTATE COMMERCE COMMISSION

### FOURTH SECTION APPLICATIONS FOR RELIEF

APRIL 25, 1960.

Protests to the granting of an application must be prepared in accordance

with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

#### LONG-AND-SHORT HAUL

FSA No. 36180: *Liquefied petroleum gas—From Baker, Mont., to points in WTL and SWFB territories.* Filed by Western Trunk Line Committee, Agent (No. A-2130), for interested rail carriers. Rates on liquefied petroleum gas, in tankcar loads from Baker, Mont., to points in western trunkline, also Missouri.

Grounds for relief: Market competition, modified short-line distance formula and grouping.

Tariff: Supplement 67 to Trans-Continental Freight Bureau tariff I.C.C. 1604.

FSA No. 36181: *Fine coal—Alabama mines to Tampa and Sutton, Fla.* Filed by O. W. South, Jr., Agent (SFA No. A3937), for interested rail carriers. Rates on fine coal, in carloads, as described in the application from mines in Alabama on the CofGa. Ry., to Tampa and Sutton, Fla.

Grounds for relief: Market competition.

Tariff: Supplement 31 to Southern Freight Association tariff I.C.C. S-39.

FSA No. 36182: *Iron and steel articles—Chicago area to Elkton, Miss.* Filed by Illinois Freight Association, Agent (No. 96), for interested rail carriers. Rates on iron and steel articles, in carloads, as described in the application from Chicago, Ill., and points in switching district, also Joliet, South Chicago, Ill., Gary and Indiana Harbor, Ind., to Elkton, Miss.

Grounds for relief: Barge-rail competition.

Tariff: Supplement 26 to Illinois Freight Association tariff I.C.C. 907.

FSA No. 36183: *Iron and steel articles to Baton Rouge and New Orleans, La.* Filed by Illinois Freight Association, Agent (No. 97), for interested rail carriers. Rates on iron and steel articles, in carloads, as described in the application from Galesburg, Ill., to Baton Rouge and New Orleans, La.

Grounds for relief: Market competition.

Tariff: Supplement 26 to Illinois Freight Association tariff I.C.C. 907.

FSA No. 36184: *Clay—Points in southern territory to Ohio.* Filed by O. W. South, Jr., Agent (SFA No. A3939), for interested rail carriers. Rates on clay, kaolin or pyrophyllite, in carloads as described in the application from specified origins in Alabama, Florida, Georgia, North Carolina and South Carolina to specified points in Ohio.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 41 to Southern Freight Association tariff I.C.C. S-40.

By the Commission.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F.R. Doc. 60-3831; Filed, Apr. 27, 1960; 8:46 a.m.]

[Notice 303]

**MOTOR CARRIER TRANSFER PROCEEDINGS**

APRIL 25, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63133. By order of April 21, 1960, the Transfer Board approved the transfer to Jewell Brooks Hemperley, Robert F. Hemperley, Jr., and Dorothy H. Teasley, a partnership, doing business as St. Louis-Cape Bus Line, 16 North Frederick St., Cape Girardeau, Mo., of Certificates Nos. MC 3210 and MC 3210 Sub 2, issued June 8, 1949 and July 25, 1955, respectively, to Jewell Brooks Hemperley and Robert F. Hemperley, Jr., Dorothy Dean Hemperley, Jewell Brooks Hemperley, Tutrix, a partnership, doing business as St. Louis-Cape Bus Line, Cape Girardeau, Mo., authorizing the transportation of: Passengers and their baggage, and express and newspapers in the same vehicle with passengers between St. Louis, Mo., and Cape Girardeau, Mo., and between Cape Girardeau, Mo., and East Prairie, Mo.

No. MC-FC 63148. By order of April 21, 1960, the Transfer Board approved the transfer to Martin Trucking, Inc., Bessemer, Pa., of Certificate No. MC 105886 issued February 6, 1959, to W. Thayer Martin, doing business as Martin Brothers, Bessemer, Pa., authorizing the transportation, over irregular routes, of cement, in packages, in bulk and packages, from Bessemer, Pa., to points in 5 counties in Ohio, 2 counties in New York and a specified part of West Virginia; structural facing tile, glazed or unglazed, and glazed face brick, from points in Darlington Township, Beaver County, Pa., to points in 14 states and the District of Columbia; brick, from Bessemer, Pa., and points in Darlington Township, Beaver County, Pa., to points in New York, Ohio, West Virginia, and Maryland within 150 miles of Bessemer and Darlington Township, respectively; sags and fire clay shapes, from New Castle, Pa., to points in 9 states; skids and pallets, used in the transportation of the above-specified commodities, on return; coal, building materials, and road building and maintenance materials, between points in 7 Pennsylvania counties, on the one hand, and, on the other, points in 6 Ohio counties; such bulk

commodities, as are transported in dump trucks, between points in 5 Pennsylvania counties, 8 Ohio counties, and points in that part of West Virginia on and north of U.S. Highway 50. John A. Vuono, 1211 Berger Building, Pittsburgh 19, Pa., for applicants.

No. MC-FC 63151. By order of April 20, 1960, the Transfer Board approved the transfer to J. T. Fuqua, doing business as Fuqua's Bus Lines, 651½ East Twelfth Street, Bowling Green, Ky., of the operating rights set forth in Certificate No. MC 97292 Sub 1, issued to Eva H. Bales, doing business as Bales Bus Lines, 307 College Street, Bowling Green, Ky., by the Commission December 2, 1949, authorizing the transportation, over regular routes, of passengers and their baggage, and express, mail and newspapers, in the same vehicle with passengers, between Bowling Green, Ky., and Leitchfield, Ky.

[SEAL]

HAROLD D. McCoy,  
Secretary.

[F.R. Doc. 60-3832; Filed, Apr. 27, 1960;  
8:46 a.m.]

[Notice 304]

**MOTOR CARRIER TRANSFER PROCEEDINGS**

APRIL 26, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63050. By order of April 22, 1960, the Transfer Board approved the transfer to Irving Evenden, doing business as Hamburg Delivery, Hamburg, N.Y., of Certificate in No. MC 18691, issued February 7, 1952, to Kenneth A. Fisher, doing business as Hamburg Delivery, Hamburg, N.Y., authorizing the transportation of: General commodities, with the usual exceptions including household goods and commodities in bulk, between Buffalo, N.Y., and Hamburg, N.Y.; and from Buffalo, N.Y.; to Boston and North Boston, N.Y. Floyd B. Piper, 604 Crosby Building, Buffalo 2, N.Y., for applicants.

No. MC-FC 63055. By order of April 22, 1960, the Transfer Board approved the transfer to Fannie Saylor, doing business as Cumberland Coach Lines, 510 Spring Street, Cumberland, Ky., of Certificate No. MC 52476, issued July 11, 1951, to Morris Saylor and Fannie Saylor,

a partnership, doing business as Cumberland Coach Lines, 510 Spring Street, Cumberland, Ky., authorizing the transportation of: Passengers and their baggage, and express and newspapers, in the same vehicle with passengers, between Harlan, Ky., and Whitesburg, Ky., between Cumberland, Ky., and Appalachia, Va., and between Pennington Gap, Va., and Harlan, Ky.

No. MC-FC 63176. By order of April 22, 1960, the Transfer Board approved the transfer to Richard E. Souliere, Brimfield, Mass., of Certificate No. MC 6074 issued June 1, 1949, in the name of Michael A. Cuzzone, Springfield, Mass., authorizing the transportation of road building and grading materials, over irregular routes, between Springfield, Mass., and points in Massachusetts within 15 miles of Springfield, on the one hand, and, on the other, points in Hartford and Tolland Counties, Conn. William L. Mobley, 1694 Main Street, Springfield 3, Mass., for applicants.

No. MC-FC 63182. By order of April 22, 1960, the Transfer Board approved the transfer to J. R. Butler, Incorporated, Dunmore, Pennsylvania, of Certificates Nos. MC 9655 and MC 9655 Sub 3 issued on March 5, 1956 and July 16, 1957, respectively to J. R. Butler, Dunmore, Pennsylvania, authorizing the transportation of specific commodities, from, to, and between, specified points in Pennsylvania, New York, New Jersey, Delaware, and Connecticut. Thomas J. Jones, 502-505 Brooks Building, Scranton 3, Pa.

No. MC-FC 63183. By order of April 22, 1960, the Transfer Board approved the transfer to Warren L. Bader, doing business as Bader Truck Line, New Richman, Wis., of Certificates Nos. MC 17664 and MC 17664 Sub 1, issued December 16, 1940 and February 14, 1952, respectively, in the name of Gay Kemling, New Richman, Wis., authorizing the transportation of livestock, agricultural commodities, and empty containers for petroleum products and beverages, over irregular routes, from points in the Towns of Cylon, Forest, Stanton, Richmond, Erin, and Emerald, St. Croix County, Wis., to South St. Paul, Newport, St. Paul, and Minneapolis, Minn.; general commodities, excluding household goods as defined by the Commission, commodities in bulk, and various specified commodities, over irregular routes, between points in the Towns of Erin, Emerald, Cylon, Forest, Stanton, and Richmond, St. Croix County, Wis., on the one hand, and, on the other, South St. Paul, St. Paul, Minneapolis, and Stillwater, Minn.; and fertilizer, over irregular routes, from Winona, Minn., to New Richmond, Wis., and points in Wisconsin within 25 miles of New Richmond. Warren P. Knowles, New Richmond, Wis., for applicants.

[SEAL]

HAROLD D. McCoy,  
Secretary.

[F.R. Doc. 60-3864; Filed, Apr. 27, 1960;  
8:50 a.m.]

CUMULATIVE CODIFICATION GUIDE—APRIL

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